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FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

BUDGET ESTIMATES FOR THE BIENNIUM 2000-2001

Report of the Administrator

Summary

The Administrator is hereby submitting the support budget estimates for the biennium 2000-2001. He is proposing a zero nominal growth budget in net terms of $518.2 million, which is $0.3 million less than the budget approved by the Executive Board for the biennium 1998-1999. The Administrator's proposals result in a decrease of the gross budget from $590.6 million for the last biennium to $585.4 million for the biennium 2000-2001.

The proposals incorporate total net reductions of $24.5 million, which include $16.8 million in real reductions and $7.7 million relating to the shift of the allocation for development support services to the programme. The proposals also incorporate a net increase of $19.2 million relating to cost increases. The new estimates also take into account more realistic income projections relating to contributions by host country governments towards local costs of UNDP country presence. These income projections result in a net decrease of $5.0 million in 2000-2001 compared to the projections included in 1998-1999.

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Abbreviations

A	Administrator
AA	Assistant Administrator
ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
ASG	Assistant Secretary-General
BFAS	Bureau for Financial and Administrative Services
BPRM	Bureau for Planning and Resource Management
BREA	Bureau for Resource Mobilization and External Affairs
BDP	Bureau of Development Policy
CCD	Convention to Combat Desertification and Drought
CIS	Commonwealth of Independent States
CRSA	Control risk self-assessment
DCAS	Development Cooperation Analysis System
DGO	United Nations Development Group Office
DIMA	Division for Information Management and Analysis
DOPP	Division of Policy and Procedures
DSS	Development Support Services
DTF	Data Transfer Facility
EC	Executive Committee
EDP	Electronic data processing
ERD	Emergency Response Division
EO	Evaluation Office
FIMS	Financial Information Management System
GEF	Global Environment Facility
GS	General Service
GLOC	Government contributions to local office costs
HDRO	Human Development Report Office

IAPSO	Inter-Agency Procurement Services Office
ICEPO	Inter-Agency Coordination and External Policy Office
ICSC	International Civil Service Commission
IMIS	Integrated Management Information System
INRES	Information referral system
IPM	Integrated Programme Management Project
ISD	Information Services Division
LDC	Least developed country
LIC	Low-income country
MYFF	Multi-year funding framework
NEX	National execution
NGO	Non-governmental organization
NP	National Professional Officer
OA	Office of the Administrator
OAPR	Office of Audit and Performance Review
ODA	Official development assistance
ODS	Office of Development Studies
OHR	Office of Human Resources
OSG	Operations Support Group
IP	International Professional
PAPP	Programme of Assistance to the Palestinian People
PFMS	Programme Finance Management System
RBA	Regional Bureau for Africa
RBAP	Regional Bureau for Asia and Pacific
RBAS	Regional Bureau for Arab States
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
RBLAC	Regional Bureau for Latin America and the Caribbean
RBM	Results-based management
RC	Resident coordinator
ROAR	Results-oriented annual report
RR	Resident representative

SHD	Sustainable human development
SRF	Strategic results framework
SU/TCDC	Special Unit for Technical Cooperation among Developing Countries
SURF	Subregional resource facility
TOKTEN	Transfer of Knowledge through Expatriate Nationals
TRAC	Target for resource assignment from the core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDCP	United Nations International Drug Control Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNFSTD	United Nations Fund for Science and Technology for Development
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services
UNRFNRE	United Nations Revolving Fund for Natural Resources Exploration
UNISTAR	United Nations International Short-Term Advisory Resources
UNSO	Office to Combat Desertification and Drought (formerly United Nations Sudano-Sahelian Office)
UNV	United Nations Volunteers
USG	Under-Secretary-General
Y2K	Year two thousand

UNDP ORGANIZATION CHART

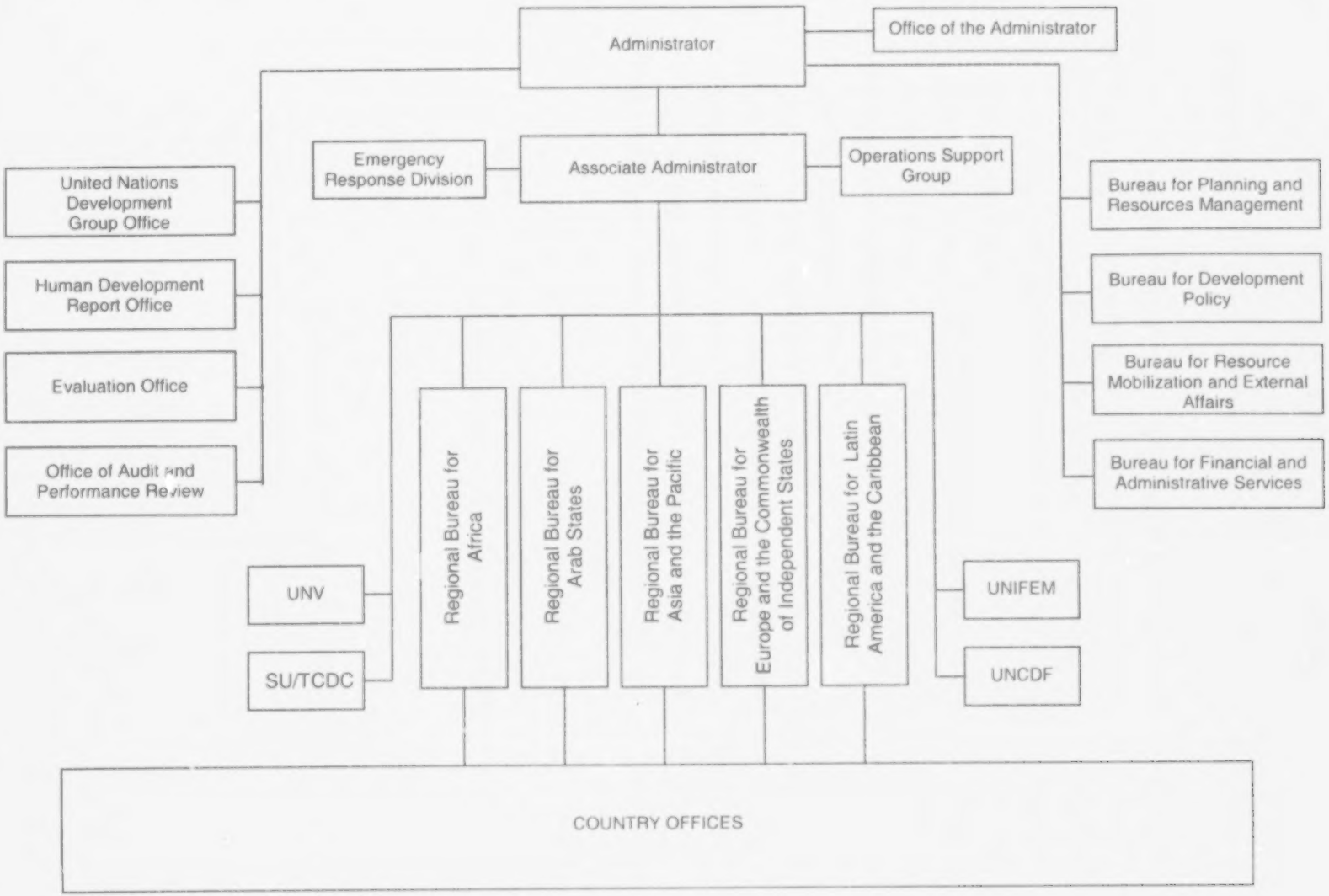

Administrator
Office of the Administrator
Emergency Response Division
Associate Administrator
Operations Support Group
United Nations Development Group Office
Human Development Report Office
Evaluation Office
Office of Audit and Performance Review
Bureau for Planning and Resources Management
Bureau for Development Policy
Bureau for Resource Mobilization and External Affairs
Bureau for Financial and Administrative Services
UNV
SU/TCDC
Regional Bureau for Africa
Regional Bureau for Arab States
Regional Bureau for Asia and the Pacific
Regional Bureau for Europe and the Commonwealth of Independent States
Regional Bureau for Latin America and the Caribbean
UNIFEM
UNCDF
COUNTRY OFFICES

Table 1. UNDP resource plan

(millions of United States dollars)

	1998-1999			2000-2001		
	Regular resources	Other resources	Total resources	Regular resources	Other resources	Total resources
Resources available	$ %	$ %	$ %	$ %	$ %	$ %
Opening balance	257.5	1 079.8	1 337.3	133.9	1 421.4	1 555.3
Income						
Contributions	1 600.0	2 360.0	3 960.0	1 700.0	3 228.7	4 928.7
Other a/	40.0	113.4	153.4	40.0	130.8	170.8
Reimbursement for services	-	24.0	24.0	-	25.7	25.7
Total	1 897.5	3 577.2	5 474.7	1 873.9	4 806.6	6 680.5
Use of resources - Programme and support activities						
A. Programmes	1 135.0 70.6	1 986.6 93.7	3 121.6 83.8	1 133.2 73.2	2 956.9 94.2	4 090.1 87.3
B. Programme support						
1. Country offices	210.2 13.1	57.3 2.7	267.5 7.2	216.9 14.0	76.7 2.4	293.6 6.3
2. Headquarters	60.7 3.8	29.2 1.4	89.9 2.4	56.4 3.7	36.6 1.2	93.0 2.0
Subtotal	270.9 16.9	86.5 4.1	357.4 9.6	273.3 17.7	113.3 3.6	386.6 8.3
3. Agencies b/	87.5 5.4	39.4 1.9	126.9 3.4	29.9 1.9	60.3 1.9	90.2 1.9
Total programme support	358.4 22.3	125.9 6.0	484.3 13.0	303.2 19.6	173.6 5.5	476.8 10.2
C. Management and administration	114.1 7.1	6.9 0.3	121.0 3.2	110.9 7.2	8.6 0.3	119.5 2.5
Total	1 607.5 100.0	2 119.4 100.0	3 726.9 100.0	1 547.3 100.0	3 139.1 100.0	4 686.4 100.0
Support to operational activities of the United Nations						
D. Programme support to resident coordinators	22.6	-	22.6	26.5	-	26.5
E. UNV Special Voluntary Fund	-	26.6	26.6	-	62.5	62.5
F. Country offices	97.6	-	97.6	100.7	-	100.7
United Nations Development Group Office	2.6	-	2.6	2.6	0.3	2.9
United Nations Volunteers	29.4	4.0	33.4	27.2	4.7	31.9
Inter-Agency Procurement Services Office	3.9	5.8	9.7	3.6	6.0	9.6
Subtotal	133.5	9.8	143.3	134.1	11.0	145.1
Total	156.1	36.4	192.5	160.6	73.5	234.1
TOTAL	1 763.6	2 155.8	3 919.4	1 707.9	3 212.6	4 920.5
Closing balance	133.9	1 421.4	1 555.3	166.0	1 594.0	1 760.0
Biennial support budget						
Total net budget estimates c/	518.5	103.2	621.7	518.2	132.9	651.1
Estimated income and adjustments						
Reimbursement for services	-	24.0	24.0	-	25.7	25.7
Income to the budget	72.1	-	72.1	67.2	-	67.2
Subtotal	72.1	24.0	96.1	67.2	25.7	92.9
TOTAL GROSS BUDGET ESTIMATES	590.6	127.2	717.8	585.4	158.6	744.0

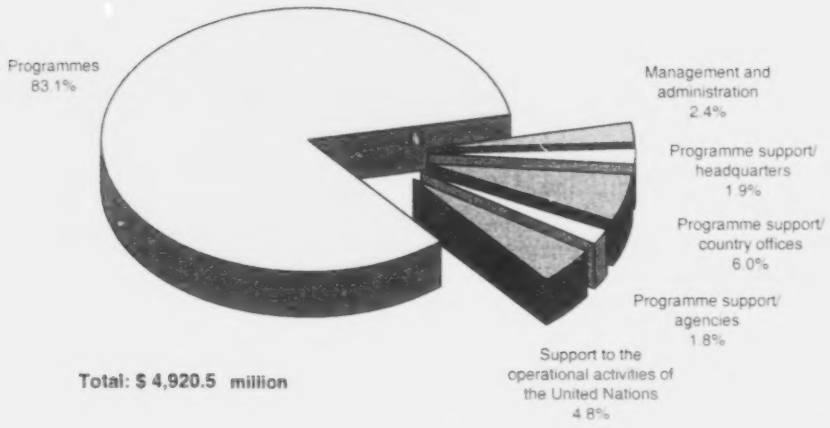
a/ Includes interest and miscellaneous income.

b/ Comprises administrative and operational support only.

c/ Includes items B.1 and B.2, C, and F.

Note: When amounts between different tables in the present document are cross-referenced, there may be differences of +/- 0.1 due to rounding.

Figure A. Use of total resources 2000-2001



I. EXECUTIVE SUMMARY

1. The Administrator is submitting in the present document the estimates for the 2000-2001 biennial support budget. This submission is in line with Executive Board decision 97/6, item 5, and subsequent refinements submitted to the Executive Board on the harmonization of the presentation of budgets. Furthermore, in line with Executive Board decision 98/23, the biennial support budget is presented as an integral part of the multi-year funding framework (MYFF). The budget estimates for the funds administered by UNDP are also presented as separate entities in chapter III.

2. The estimates, along with the related proposals presented, have been formulated in a period of change in the leadership of UNDP. Some specific measures are included that will provide support to the new Administrator during the 2000-2001 biennium. The budget proposals, however, may not encompass all areas that he may wish further to change, strengthen and focus. In reviewing the priorities for the organization, he will take into account their relevant budgetary and policy implications while also bearing in mind income performance. In this connection, should this review result in any revisions to the 2000-2001 biennial support budget that may require Executive Board approval, he will revert, through ACABQ, to the Executive Board.

A. Financial framework

3. In its decisions 98/19 and 99/2, the Executive Board decided to continue applying the various financial planning parameters of decision 95/23 for the years 2000-2003. The planning period will now formally cover four years in line with the MYFF. Beginning in 2000-2003, this four-year period will align programme planning with the biennial support budget planning covering the periods 2000-2001 and 2002-2003. In its decision 98/23, the Board adopted an annual funding target of $1.1 billion for contributions to UNDP regular (core) resources. The Administrator is aware that the regular resource situation remains a major challenge for UNDP.

He recognizes that UNDP must continue to address this challenge by delivering and demonstrating results in all critical aspects of its work. While all UNDP partners have a critical role in fulfilling the compact underpinning decision 98/23, the Administrator remains confident that the UNDP 2001 change process and the MYFF will strengthen the organization in its ability to meet its resource challenges.

4. Based on the current state of ODA, the Administrator is aware that it may take time to attain the $1.1 billion per year target. However, he expects that with the increased emphasis on delivering and demonstrating results in UNDP work, annual increases in voluntary contributions to UNDP regular resources should be forthcoming. Accordingly, he uses a base of $3.8 billion for the four-year period 2000-2003, on the assumption that the $1.1 billion target will be met at least by the last year of the period. Thus, for the bienniums 2000-2001 and 2002-2003, regular resource levels are projected at $1.7 billion and 2.1 billion respectively.

5. Based on a regular resource base of $1.7 billion, therefore, the total projected use of resources for the period 2000-2001 relating to UNDP programme and support activities covering both regular and other resources is estimated to be $4.9 billion. As shown in figure A, of this amount, 83.1 per cent relates to programmes; 6.0 per cent to programme support - country offices; 1.9 per cent to programme support - headquarters; 1.8 per cent to programme support - agencies; 2.4 per cent to management and administration; and 4.8 per cent to support to the operational activities of the United Nations.

6. With respect to projections relating to regular resources, maintaining the biennial support budget at the same nominal level in net terms for the period 2000-2003, which would require further real reductions in the 2002-2003 biennium, would result in the allocation of 27.3 per cent of total resources to the biennial support budget. For each of the bienniums 2000-2001 and 2002-2003, this would amount to 30.5 and 24.7 per cent of total resources respectively.

7. Based on the income assumptions indicated in paragraph 4, the strategy adopted by the Administrator would result in gradual increases in the relative share of resources available for the programme during the MYFF period. The Administrator continues to have serious reservations on the validity of any single set of ratios. He believes that a range of ratios need to be analysed from a variety of perspectives – all the more so in light of the focus that UNDP is now placing on results.

8. Table 1 shows the overall resource plan for 2000-2001, within which the proposals for the biennial support budget are made. The 1998-1999 resource plan, previously submitted to the Executive Board in document DP/1997/23, is provided for comparative purposes; it has, however, been adjusted to reflect both the actual opening balance for the period and the final budget figures approved in decision 97/24 together with the internal restructuring as presented in annex I to the present document. The resource plan covers both regular and other resources. Regular resources cover voluntary contributions that are co-mingled and untied, related interest earnings and miscellaneous income. Other resources relate to resources mobilized for specific programme purposes within UNDP focus areas and to reimbursements received to cover the cost of services provided by UNDP. The resource plan has three sections:

(a) Resources available: cover both regular and other resources projected to be available to UNDP. For the period 2000-2001, the Administrator, as noted above, is projecting

voluntary contribution levels to regular resources of $1.7 billion. For other resources, the level of government cost-sharing is expected to decrease slightly from current levels while an increase is projected for third-party cost-sharing and trust funds. In addition, projections for other income and reimbursement for services reflect the best possible estimates;

(b) Use of resources: covers both regular and other resources; it provides estimates relating to programme and support activities and to UNDP support to the operational activities of the United Nations, as described in paragraph 5. A breakdown of the use of total resources, including those relating to support to the operational activities of the United Nations, is provided in figure A. A further breakdown of the use of resources for programmes and programme support by region is provided in table 6.

(c) Biennial support budget: this section relates the overall resource plan to the biennial support budget, covering both the total net and gross budget estimates that have been presented to the Executive Board.

Table 2. Summary of main areas of increase/decrease
(thousands of United States dollars)

	Volume	Cost	Total
I. 1998-1999 NET APPROPRIATION ESTIMATES	-	-	518 466.5
II. INCREASES			
1. Country offices - inflation adjustment	-	39 425.4	39 425.4
2. Headquarters - inflation adjustment	-	7 553.0	7 553.0
3. Country offices - strengthening of advocacy and outreach activities	1 500.0	-	1 500.0
4. Country offices - United Nations House	500.0	-	500.0
5. PAPP local staff	320.0	-	320.0
Subtotal	2 320.0	46 978.4	49 298.4
III. DECREASES			
6. Currency adjustments (net)	-	(23 489.0)	(23 489.0)
7. International and headquarters local post cost adjustments (net)	-	(4 266.0)	(4 266.0)
8. Headquarters post reductions (net)	(8 352.1)	-	(8 352.1)
9. Headquarters operating expenses reductions (net)	(8 156.2)	-	(8 156.2)
10. Country offices - redistribution of international and local posts impact	(1 552.0)	-	(1 552.0)
11. Country offices - savings in audit contracts, etc. (net)	(1 026.0)	-	(1 026.0)
Subtotal	(19 086.3)	(27 755.0)	(46 841.3)
IV. NET ADJUSTMENTS	(16 766.3)	19 223.4	2 457.1
V. OTHER ADJUSTMENTS - MOVEMENT OF DSS TO PROGRAMME	(7 678.9)	-	(7 678.9)
Subtotal	(24 445.2)	19 223.4	(5 221.8)
VI. NET CHANGE IN ESTIMATED INCOME			
Increase in support costs to UNV	(1 000.0)	-	(1 000.0)
Decrease in government contributions to local office costs	6 000.0	-	6 000.0
Subtotal	5 000.0	-	5 000.0
VII. 2000-2001 NET APPROPRIATION ESTIMATES	(19 445.2)	19 223.4	518 244.7

B. Objectives and strategy

9. In presenting the 1998-1999 biennial support budget proposals at the third regular session 1997, the Administrator informed the Executive Board that, having gone through six years of stressful downsizing, any further downsizing to UNDP at that time would have negative and irreversible consequences in the long term. While recognizing that contributions had not increased, he emphasized that the UNDP 2001 change process required a period of consolidation to incorporate the major reforms adopted. However, the Administrator did agree that if UNDP regular resource contributions did not increase, a return to reductions in the future would be inevitable.

10. Given current resource levels, the Administrator recognizes that fiscal prudence is required to maintain the biennial support budget at realistic levels in order to maximize possible resources for programmes. The Administrator is therefore proposing a zero nominal growth budget in net terms, resulting in a decrease of the gross budget from $590.6 million to $585.4 million. As shown in table 2, this requires real reductions in activities financed by the biennial support budget in order to absorb cost increases to the gross budget and entails maintaining the 2000-2001 biennial support budget basically at the same net level of $518.5 million approved for the biennium 1998-1999. Furthermore, the reduction also takes into account more realistic assumptions on the estimate for income relating to contributions by host country Governments towards the local costs of UNDP country presence. Total net reductions in real terms amount to $16.8 million in real volume reductions and $7.7 million from the shift of development support services to the programme.

11. Since reductions were necessary in the context of the 2000-2001 biennial support budget, the strategy developed had to ensure that critical capacities of UNDP were safeguarded. Furthermore, it was important that the 2000-2001 budget exercise build on the initiatives adopted under UNDP 2001. A working group consisting of a broad representation of headquarters bureaux and country offices was established to develop proposals in addressing the 2000-2001 budget. The proposals presented by the working group were reviewed and decided upon by senior management in line with the following broad strategy:

(a) Accelerating and intensifying the current implementation of UNDP 2001, through further measures to improve efficiency and effectiveness, including through optimal use of information systems;

(b) Focusing on priority functions/activities that are crucial for the achievement of results;

(c) Safeguarding the country office network with reductions effected to the maximum extent possible at headquarters; and

(d) Rationalizing programme functions currently incorporated in the budget that should clearly be under the programme.

12. In formulating the proposals for 2000-2001, a detailed analysis of the current 1998-1999 biennial support budget cost base was undertaken. This step was particularly beneficial since it enabled UNDP to derive a significant amount of savings from the strong US dollar and the unusual number and magnitude of devaluations during 1998 in many programme countries. These savings enabled UNDP to avoid further volume reductions for 2000-2001.

13. A key element of the strategy is to safeguard the UNDP programme country presence. As an integral part of this strategy, the Administrator continues to rationalize in his proposals the use of available country office budgetary resources for strategic needs and priorities at the country level. Furthermore, he addresses the cost of UNDP country presence in relation to the obligation of host Governments to contribute towards such costs and proposes an approach to reduce the net cost to UNDP resulting from associated shortfalls in contributions. The Administrator is proposing an increase of $2.3 million at the country level, relating to the United Nations House programme (an important element of United Nations reform), strengthening advocacy, and providing minimum local staffing requirements for the Programme of Assistance to the Palestinian People. However, this increase is more than offset by savings achieved in other areas at the country level. The Administrator also proposes the establishment of a capital reserve amounting to $3.8 million relating to the United Nations House programme following a similar approach by other United Nations partners.

14. In line with the principles of UNDP 2001, reductions at headquarters are principally in the management and administration area, and are based on the further streamlining of processes and decentralization of functions, taking into account benefits from the implementation of new information systems. In the headquarters programme support area, reductions are through further restructuring and decentralization. Reductions are proposed in the area of UNDP support to operational activities of the United Nations principally through the streamlining of functions in the United Nations Volunteers Programme. Total volume reductions in headquarters amount to $8.4 million relating to posts and $8.2 million relating to consultants and operating costs.

15. To realize maximum benefits from information technology, the Administrator proposes for 2000-2001 a level of resources for information systems similar to that for 1998-1999. The Administrator sees the further enhancement of corporate as well as country-office-based information systems as crucial for UNDP to achieve maximum results.

16. The Administrator recognizes that the success of UNDP in responding to the demands of a rapidly changing development cooperation environment will largely depend on the ability of the organization to adapt to that changing environment. Having the appropriate human resource capacities and competencies to achieve results will therefore be crucial to the ability of the organization to respond effectively to demands placed on it. Against this background, the Administrator incorporates, as an integral part of his strategy, certain flexibility in his proposals for the use of budgetary resources, specifically for staff at the country level. In addition, the Administrator maintains for 2000-2001 the existing allocation for separations to enable the organization to adapt to the changing staffing needs; at the same time, he is proposing a separation reserve to cover the cost of separations associated with the 2000-2001 reductions.

17. There are certain transitionary measures which are also an integral part of the strategy and which the Administrator recognizes as crucial in enabling the organization to adapt to the rapidly changing environment. He proposes the establishment of a reserve for these measures with a view to strengthening temporarily certain capacities within the organization to address a number of priority needs. The transitionary measures fall into two categories:

(a) Specific activities to be carried out during 2000-2001 that will be critical in enabling UNDP to respond to the demands placed on it - demands which the organization already finds it difficult to meet because of reduced budgetary resources. These activities include, in line with

UNDP 2001, exploring further re-engineering opportunities; identifying ways the organization can further exploit information and web-based technology in its operations; targeting specific initiatives relating to advocacy and resource mobilization; and addressing possible unforeseen implication relating to Y2K;

(b) Support to the new Administrator in priority areas that are decisive for the future of the organization.

C. Summary of proposals

18. A summary of the gross budget estimates by appropriation line and by location is presented in table 3. The methodology applied in preparing the estimates is in line with that adopted in the budget harmonization exercise approved by the Executive Board in decision 97/6, item 5, and is explained in annex IV to the present document.

19. In its decision 97/24, the Executive Board approved the 1998-1999 biennial support estimates with a downward adjustment of $8.8 million. At its third regular session 1998, the Administrator informed the Board in document DP/1998/29 that the downward adjustment had been incorporated into the initial 1998-1999 biennial support budget estimates submitted. The reductions were achieved through volume reductions in posts and general operating expenses at headquarters and through a combination of volume and cost adjustments in post-related and general operating expenses in country offices.

20. For purposes of comparison, table 1 in annex I shows the initial estimates as presented to the Executive Board in document DP/1997/23 and the application of the adjustment, with a breakdown by organizational unit. In addition, the table reflects a certain internal re-organization of responsibilities resulting in some minor shifts between appropriation lines, as well as the redistribution of costs relating to the subregional resource facilities to the respective regions (see paragraphs 44-46). Table 2 in annex I shows the same adjustments as they relate to posts. Tables 3 and 4 below reflect the approved 1998-1999 appropriations and posts respectively, as presented in the final columns of the tables in annex I.

21. As presented in table 3, the gross budget estimates for 2000-2001 amount to $585.4 million, which is $5.2 million less than the approved 1998-1999 gross budget estimates and therefore reflects a decrease in nominal terms. The 2000-2001 net budget estimates amount to $518.2 million, which is basically the same level as the approved 1998-1999 net budget estimates, inclusive of a marginal decrease of $0.3 million, and therefore reflect a zero nominal growth budget in net terms while absorbing relevant cost increases. Total net reductions amount to $24.5 million, of which $16.8 million relate to real volume reductions and $7.7 million to the shift of development support services to the programme. An increase of $19.2 million relates to net cost increases.

22. UNDP regular activities constitute 76.8 per cent of the total budget, with the remaining 23.2 per cent relating to support to the operational activities of the United Nations, including UNV and IAPSO. Management and administration represents 20 per cent of the gross budget estimates. By location, the share of resources allocated to country offices increases by 1.6 per cent, with a corresponding decrease in the share of resources allocated to headquarters, including UNV and IAPSO. Figure B shows the gross budget estimates by appropriation line for 2000-2001 in graphical form.

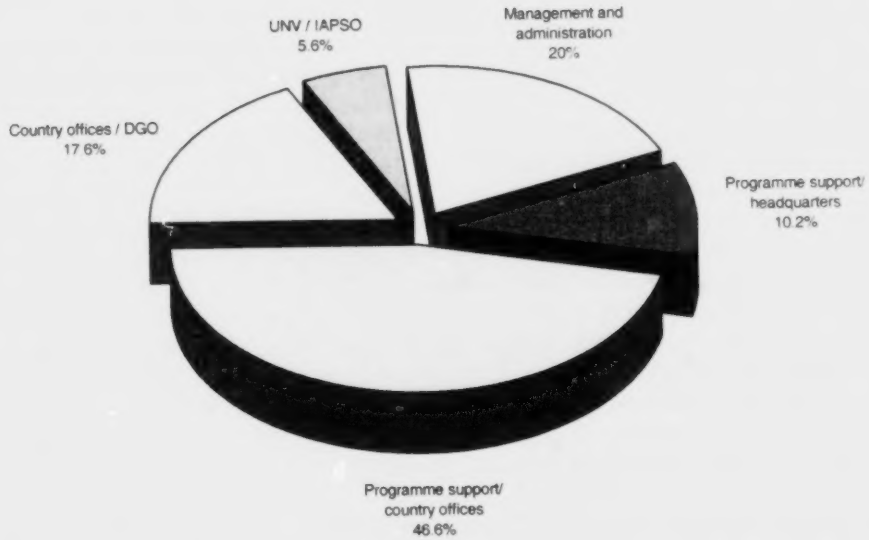
Table 3. Gross budget estimates by appropriation line and by location

(thousands of United States dollars)

	1998-1999		Changes				2000-2001	
	Approved appropriations	% of Total	Volume Inc/(Dec.)	Volume %	Cost Inc/(Dec.)	Cost %	Proposed estimates	% of Total
By appropriation line								
Programme support	271 575.8	46.1	(8 373.6)	(3.1)	9 139.7	3.4	272 341.9	46.6
Country offices	63 985.4	10.8	(4 635.0)	(7.2)	344.1	0.5	59 694.5	10.2
Headquarters	120 539.6	20.4	(9 406.3)	(7.8)	6 060.3	5.0	117 193.6	20.0
Management and administration a/								
Support to operational activities of the United Nations	97 605.7	16.5	(256.9)	(0.3)	3 380.4	3.5	100 729.2	17.2
Country offices	2 614.0	0.4	(117.5)	(4.5)	86.6	3.3	2 583.1	0.4
United Nations Development Group Office	3 896.6	0.7	(266.4)	(6.8)	(29.1)	(0.7)	3 601.1	0.6
Inter-Agency Procurement Services Office	30 376.4	5.1	(1 389.6)	(4.6)	241.4	0.8	29 228.2	5.0
United Nations Volunteers	590 593.5	100.0	(24 445.3)	(4.1)	19 223.4	3.3	585 371.6	100.0
TOTAL								
By location								
Country offices	381 177.8	64.5	(7 936.9)	(2.1)	13 375.2	3.5	386 616.0	66.1
Headquarters	175 142.7	29.7	(14 852.4)	(8.5)	5 635.9	3.2	165 926.3	28.3
Inter-Agency Procurement Services	3 896.6	0.7	(266.4)	(6.8)	(29.1)	(0.7)	3 601.1	0.6
United Nations Volunteers	30 376.4	5.1	(1 389.6)	(4.5)	241.4	0.8	29 228.2	5.0
TOTAL	590 593.5	100.0	(24 445.3)	(4.1)	19 223.4	3.3	585 371.6	100.0
Income	72 127.0		(5 000.0)	(6.9)			67 127.0	
Net budget estimates	518 466.5						518 244.6	

a/ Includes both headquarters and country offices components.

Figure B. Gross budget estimates by appropriation line, 2000-2001



23. A summary of posts financed under the budget by appropriation line, by category of staff and by location is presented in table 4. Based on the reductions at headquarters, the total number of posts decreases from 4054 to 4028. While there is a decrease in international professional posts, there is a slight increase in local posts in the country-level component of the budget. Posts under programme support constitute 87.8 per cent of total posts, of which

83.5 per cent are located at the country level and 4.3 per cent at headquarters. Posts at the country level represent 83.9 per cent of the total posts, with the remaining 16.1 per cent located in headquarters, inclusive of UNV and IAPSO. Posts under management and administration represent 7 per cent of total posts. Figures C and D show posts financed from regular resources, by appropriation line and by category of posts in graphical form.

Table 4. Regular resource posts by category, appropriation line and location

	1998-1999 Approved posts					Changes Increase/(Decrease)				2000-2001 Proposed posts				
	IP	NP	GS	Total	% of Total	IP	NP	GS	Total	IP	NP	GS	Total	% of Total
By appropriation line														
Programme support														
Country offices	382	536	2431	3349	82.5	-	3	9	12	382	539	2440	3361	83.5
Headquarters	96	-	93	189	4.7	(9)	-	(5)	(14)	87	-	88	175	4.3
Management and administration a/	104	7	189	300	7.4	(4)	-	(15)	(19)	100	7	174	281	7.0
Support to operational activities of the United Nations														
Country offices b/														
United Nations Development Group Office	4	-	7	11	0.3	-	-	(1)	(1)	4	-	6	10	0.2
Inter-Agency Procurement Services Office	3	-	4	7	0.2	-	-	-	-	3	-	4	7	0.2
United Nations Volunteers	27	60	111	198	4.9	-	-	(4)	(4)	27	60	107	194	4.8
TOTAL	616	603	2835	4054	100.0	(13)	3	(16)	(26)	603	606	2819	4028	100.0
By location														
Country offices	389	543	2436	3368	83.0	1	3	9	13	390	546	2445	3381	83.9
Headquarters	197	-	284	481	11.9	(14)	-	(21)	(35)	183	-	263	446	11.1
Inter-Agency Procurement Services Office	3	-	4	7	0.2	-	-	-	-	3	-	4	7	0.2
United Nations Volunteers	27	60	111	198	4.9	-	-	(4)	(4)	27	60	107	194	4.8
TOTAL	616	603	2835	4054	100.0	(13)	3	(16)	(26)	603	606	2819	4028	100.0

a/ Includes both headquarters and country offices components.
b/ All staff resources assigned to country offices are shown under Programme support - Country offices alone and are not split between Programme support - country offices and Support to the operational activities of the United Nations - country offices.

Figure C. Regular resources posts by appropriation line, 2000-2001

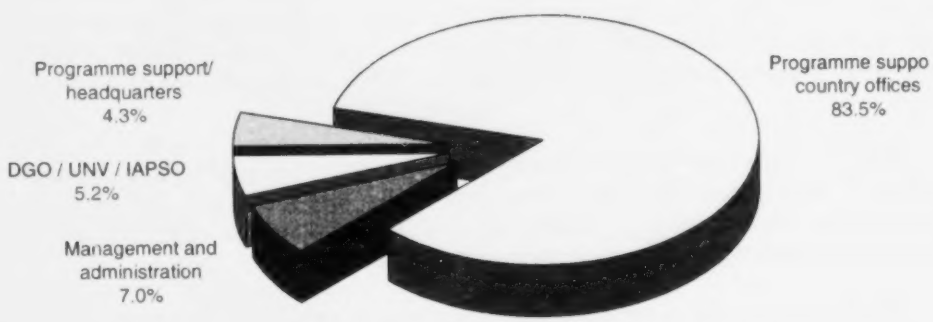
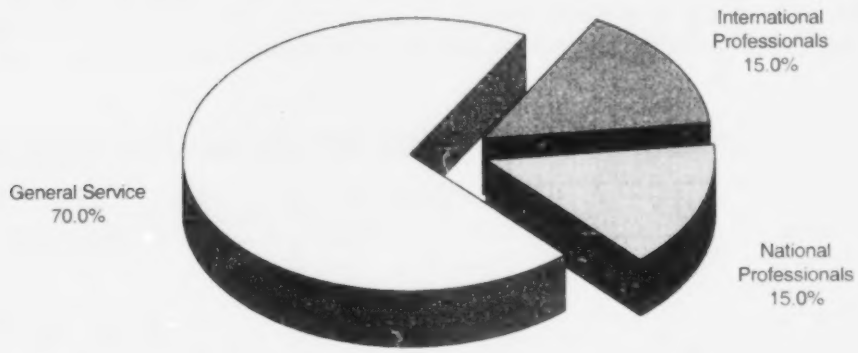


Figure D. Regular resources posts by category, 2000-2001



24. The $5.0 million net reduction in estimated income reflects the following:

(a) The Administrator's strategy to take into account more realistic assumptions on the estimate for income relating to government contributions to local office costs, thereby reducing such estimated income by $6.0 million;

(b) A $1.0 million increase in income relating to reimbursement that UNV derives from United Nations agencies, which offsets the gross budget of UNV.

II. PROPOSALS FOR THE 2000-2001 BIENNIAL SUPPORT BUDGET - UNDP

A. Introduction

25. The Administrator has formulated his budget proposals taking into account the need for the organization to exercise fiscal prudence and to ensure that maximum resources are reserved for the programme. The greatest challenge for UNDP is to restore growth and enhance predictability for its regular resource base and to achieve annual increases towards the target of $1.1 billion adopted by the Executive Board in its decision 98/23. The proposals take into account the challenge for UNDP to deliver and demonstrate results under the MYFF process so as to better define, capture and communicate clearly and effectively the results achieved.

26. The proposals build on accelerating and intensifying the implementation of UNDP 2001 while ensuring that critical capacities of the organization are protected. Furthermore, the proposals recognize that the organization will need to be sufficiently flexible to adapt to the rapidly changing development cooperation environment.

27. The proposals should be viewed with the full understanding that for the three bienniums 1992-1993, 1994-1995 and 1996-1997, UNDP has already experienced intensive downsizing, amounting to total real volume reductions of $105.6 million over the period. While the Executive Board granted the Administrator a reprieve from extensive downsizing in 1998-1999, real reductions amounting to $5.0 million were also effected in that biennium. Therefore, taking

into account net volume reductions amounting to $16.8 million proposed under the 2000-2001 budget, which excludes the shift of development support services to the programme, UNDP will have implemented $127.4 million in total real reductions during the period 1992-2001.

28. Therefore, while proposing reductions in the context of his 2000-2001 biennial support budget proposals, the Administrator wishes to emphasize to the Executive Board that such continued reductions have already begun to have an impact on the capacity of the organization. The Administrator is committed to identifying maximum cost-savings in carrying out the activities of UNDP; nevertheless, continued reductions will have severe implications for the organization. In his 2000-2001 budget proposals, therefore, the Administrator's goal is to maximize available resources for those priority areas that will play a crucial role in reversing the declining trend in resources and in delivering, demonstrating and communicating results.

B. General

29. On the use of regular resources, summary table I contains a financial overview of the proposed budget estimates by main organizational unit within each appropriation line. Summary table II provides a financial overview of the proposed budget estimates by main expenditure category within each appropriation line. An overview of the proposed budget estimates by main expenditure category is provided in figure E. Figures F and G provide a further breakdown of the expenditure subcategories relating to posts and to general operating expenses. Summary tables IV (a) and IV (b) provide similar information pertaining to the use of other resources. A complete overview of the projected distribution of post resources by source of fund and main organizational entity is provided in summary table III.

Figure E. Expenditure by main expenditure category, 2000-2001

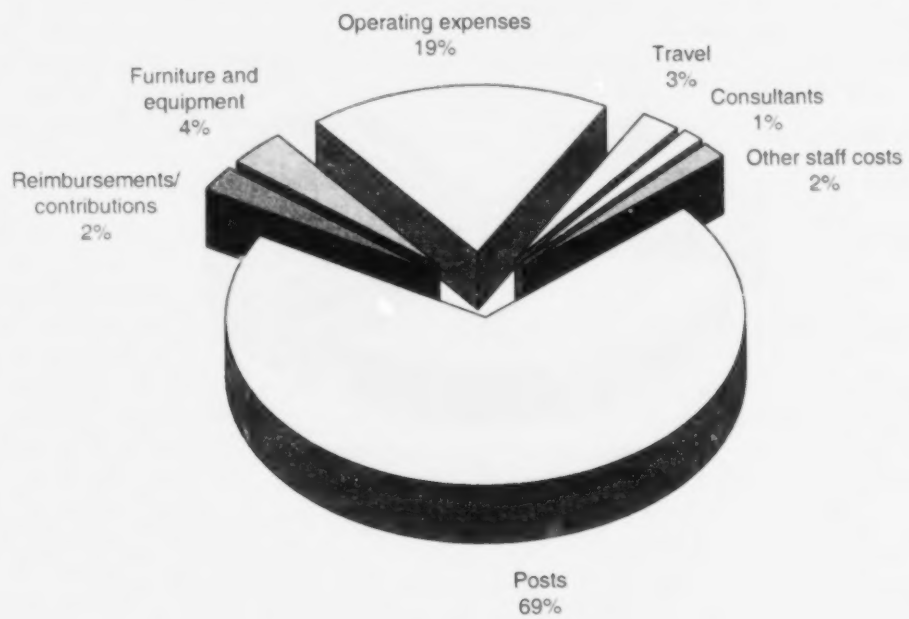


Figure F. Expenditure breakdown of posts, 2000-2001

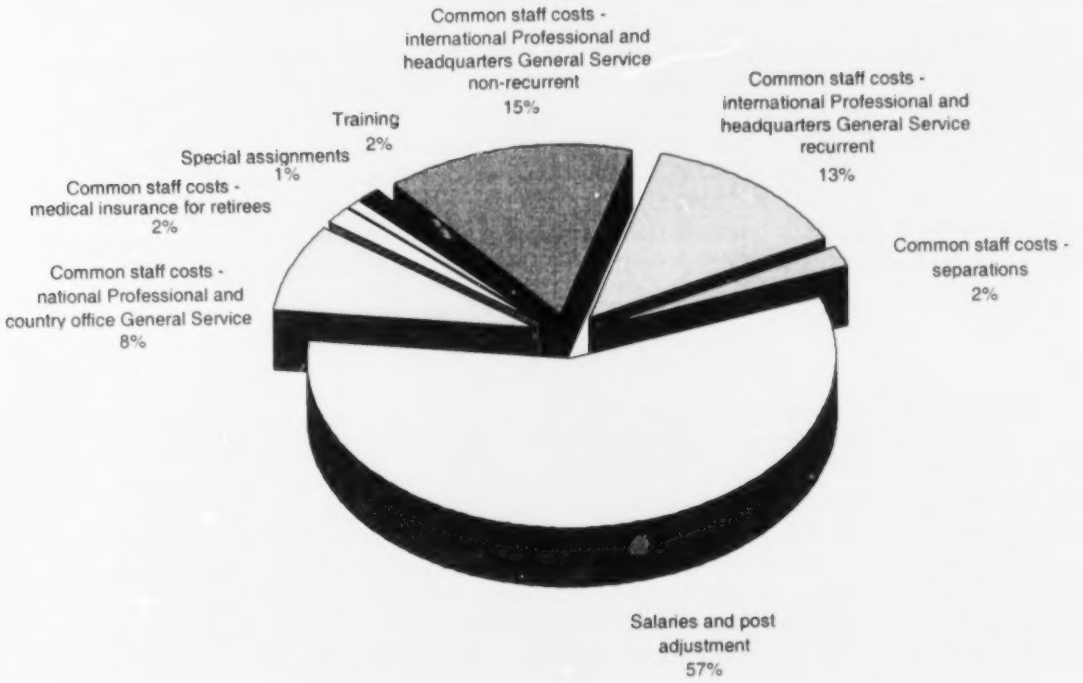
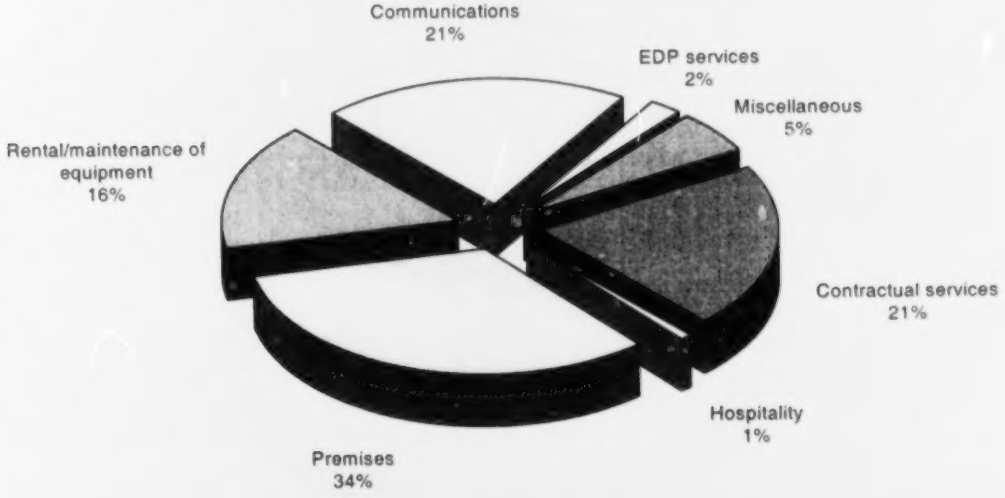

Common staff costs - international Professional and headquarters General Service non-recurrent 15%
Common staff costs - international Professional and headquarters General Service recurrent 13%
Common staff costs - separations 2%
Salaries and post adjustment 57%
Common staff costs - national Professional and country office General Service 8%
Common staff costs - medical insurance for retirees 2%
Special assignments 1%
Training 2%

Figure G. Expenditure breakdown of operating expenses, 2000-2001



30. In his 2000-2001 biennial support budget proposals, the Administrator is not making any changes to the number of high-level positions at headquarters. He has, however, incorporated into the 1998-1999 budget base the additional post at the Assistant Secretary-General level for the Regional Bureau of Europe and the Commonwealth of Independent States proposed by the Executive Board at its third regular session 1997. The Administrator believes that the current number of high-level posts at headquarters is necessary given the existing level of responsibilities assigned to these posts. However, he assures the Board that he will continue to monitor on an ongoing basis whether adjustments are required as a result of changing responsibilities.

31. Summary table I shows that total gross appropriations are estimated at $585.4 million. Taking into account the estimated income to the budget, total net appropriation estimates are projected to amount to $518.2 million. The total amount of adjustments compared to the 1998-1999 base amounts to $5.2 million and is the net result of volume decreases of $24.5 million and net cost increases of $19.2 million. Summary table II reflects the shift of DSS to the programme, which is discussed in paragraphs 103 and 104.

32. The cost adjustments reflected in summary table I incorporate a significant amount of redeployments between organizational units, covering the following:

(a) Costs relating to non-recurrent post costs, such as education grant and home leave, while reflecting the best estimates at the aggregate level, were not previously accurately distributed across organizational units. The recent implementation of a new Y2K compliant budget formulation system for UNDP has enabled the organization, in formulating the 2000-2001 budget, to link to each post such non-recurrent post-related costs. This has resulted in a more accurate distribution of costs across all organizational units in proportion to the number and level of posts;

(b) Costs relating to after-service health insurance, compensatory and ex-gratia payments, and UNDP contributions towards security activities at the country level, inclusive of United Nations-related jointly financed security activities, were previously distributed across organizational units but were in reality not related to these units. Such costs have therefore been moved appropriately to the centrally managed lines since they relate either to retired staff or to activities that are global in nature.

33. The net cost increase of $19.2 million incorporates the following three elements:

(a) The general strengthening of the United States dollar: a downward adjustment of $23.5 million;

(b) A net decrease of $4.2 million relating to various cost adjustments as a result of:

(i) A net decrease of $9.9.million relating to revised post costing;
(ii) An upward adjustment of $1.0 million to incorporate the financial impact of the proposed reclassifications; and
(iii) An upward adjustment of $4.7 million relating to the financial impact of expected within-grade salary increments;

(c) The full impact of inflation, estimated at $46.9 million or 4.3 per cent per year for the budget as a whole, i.e., the combined effect of a 2.0 per cent annual inflation rate at headquarters and a 5.3 per cent annual inflation rate for the field component of the budget.

34. The total number of posts by organizational unit and by grade level is provided in summary table III. Table 5 shows the proposed changes in the allocation of post resources financed from regular resources under each of the main components of the appropriation structure. The first part of the table shows the increases/decreases that are being proposed against the 1998-1999 approved base. The second part provides a summary of the changes in the overall grade structure based on the result of confirmed reclassifications of the grade level of existing posts and functions.

35. As shown in table 5, a net reduction of 26 posts is proposed in the total number of posts. The net reduction comprises a decrease of 15 international Professional posts and 23 local posts at headquarters. The reductions include a redeployment of 1 international Professional post from headquarters to the country level, and an increase of 12 local posts at the country level.

36. In the following paragraphs, more detail, particularly in those areas most affected in the 2000-2001 budget strategy, is provided on the Administrator's proposals under the main components of the appropriation structure, that is: (a) Programme support; (b) Management and administration; (c) Support to the operational activities of the United Nations covering country offices, DGO, UNV and IAPSO; and (d) Other matters

C. Programme support

37. The programme support component of the budget is comprised of: (a) Programme support – country offices and (b) Programme support – headquarters. As shown in table 4, this component covers 87.8 per cent of total post resources, of which 83.5 per cent relates to the country level and 4.3 per cent to the headquarters level.

1. Country offices

38. The budget proposals for Programme support -- country offices provide information on the following four areas:

(a) Posts allocated to country offices by region;

(b) Resources for substantive support capacity at the subregional level (SURF);

(c) Centrally budgeted resources that are managed on a more regional and global basis;

(d) Contributions by host governments towards local office costs (GLOC).

The audit and performance review capacity of country offices at the regional level is covered under the management and administration component of the budget. Table 6 provides an overview per region of the use of resources for programme and programme support.

Table 5. Proposed changes: Regular resource post requirements, 2000-2001

Organizational unit	1998-1999	International Professional category and above								Nat. Prof	GS and other categ.	Grand total	2000-2001
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total				
1998-1999 APPROVED POSTS	4054	9	53	138	200	161	48	7	616	603	2835	4054	
A. Programme support													
1. Country offices													
Africa	1343	-	-	-	-	-	1	-	1	2	20	23	1366
Arab States	334	-	-	-	-	1	-	-	1	(5)	(29)	(33)	301
Asia and the Pacific	806	-	-	-	-	-	-	-	-	(10)	(28)	(38)	768
Latin America and the Caribbean	408				(1)	(3)	(1)		(5)	(6)	(18)	(29)	379
Europe and the Commonwealth of Independent States	382	-	-	-	1	1	-	-	2	8	21	31	413
Subregional resource facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Country offices - Central	76	-	-	-	-	1	-	-	1	14	43	58	134
Total (net)	3349	-	-	-	-	-	-	-	-	3	9	12	3361
2. Headquarters													
Operations Support Group	15	-	-	(1)	-	(1)	-	-	(2)	-	(1)	(3)	12
Emergency Response Division	6	-	-	-	-		-	-	-	-	-	-	6
Regional Bureau for Africa	41	-	-	-	-	(1)	-	-	(1)	-	(1)	(2)	39
Regional Bureau for Arab States	15	-	-	-	-	-	-	-	-	-	-	-	15
Regional Bureau for Asia and the Pacific	25	-	-	-	-	-	-	-	-	-	(1)	(1)	24
Regional Bureau for Latin America and the Caribbean	16	-	-	-	(1)	-	-	-	(1)	-	(1)	(2)	14
Regional Bureau for Europe and the Commonwealth of Independent States	16	-	-	-	-	-	-	-	-	-	-	-	16
Bureau for Development Policy	40	-	-	(4)	-	(1)	-	-	(5)	-	-	(5)	35
Special Unit for TCDC	15	-	-	-	-	-	-	-	-	-	(1)	(1)	14
Total (net)	189	-	-	(5)	(1)	(3)	-	-	(9)	-	(5)	(14)	175
Total programme support	3538	-	-	(5)	(1)	(3)	-	-	(9)	3	4	(2)	3536
B. Management and administration													
Office of the Administrator/Associate Administrator	13	-	-	-	-	-	-	-	-	-	-	-	13
Evaluation Office	9	-	-	-	-	-	-	-	-	-	(1)	(1)	8
Office of Audit and Performance Review - Headquarters	14	-	-	-	(1)	(1)	-	-	(2)	-	-	(2)	12
Office of Audit and Performance Review - Country offices	16	-	-	-		1	-	-	1	-	-	1	17
Bureau for Resource Mobilization and External Affairs	63	-	-	-	-	-	-	-	-	-	(3)	(3)	60
Bureau for Planning and Resource Management	89	-	-	-	(1)	(2)	-	(1)	(4)	-	(9)	(13)	76
Bureau for Financial and Administrative Services	93	-	-	(1)	-	-	(1)	-	(2)	-	(2)	(4)	89
Headquarters - Central		-	-	1	-	-	-	-	1	-	2	3	3
Country offices - Central	3	-	-	-	-	-	-	-	-	-	-	-	3
Total (net)	300	-	-	-	(2)	(2)	(1)	(1)	(6)	-	(13)	(19)	281
C. Support to operational activities of the United Nations													
Country offices	see note												
United Nations Development Group Office	11	-	-	-	-	-	-	-	-	-	(1)	(1)	10
Inter-Agency Procurement Services Office	7	-	-	-	-	-	-	-	-	-	-	-	7
United Nations Volunteers	198	-	-	-	(2)	1	1	-	-	-	(4)	(4)	194
Total (net)	216	-	-	-	(2)	1	1	-	-	-	(5)	(5)	211
Total: Post increases/decreases (net)		-	-	(5)	(5)	(4)	-	(1)	(15)	3	(14)	(26)	-

Note: All post resources assigned to country offices are shown under programme support - country offices alone and are not split between programme support – country offices and support to the operational activities of the United Nations – country offices.

Table 5 (continued)

Organizational unit	1998-1999	International Professional category and above								Nat Prof	GS and other categ	Grand total	2000-2001
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total				
POSTS RECLASSIFICATIONS													
A. Programme support													
1. Country offices													
Africa		-	-	-	2	-	(2)	-	-	-	-	-	-
Arab States		-	-	-	-	-	-	-	-	-	-	-	-
Asia and the Pacific		-	-	-	2	(1)	(1)	-	-	-	-	-	-
Latin America and the Caribbean		-	-	-	-	-	-	-	-	-	-	-	-
Europe and the Commonwealth of Independent States		-	-	1	-	(1)	-	-	-	-	-	-	-
Country offices - Central		-	-	-	1	(1)	-	-	-	-	-	-	-
Total (net)		-	-	1	5	(3)	(3)	-	-	-	-	-	-
2. Headquarters													
Operations Support Group		-	-	-	-	-	-	-	-	-	-	-	-
Emergency Response Division		-	-	2	(2)	-	-	-	-	-	-	-	-
Regional Bureau for Africa		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Arab States		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Asia and the Pacific		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Latin America and the Caribbean		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Europe and the Commonwealth of Independent States		-	-	-	-	-	-	-	-	-	-	-	-
Bureau for Development Policy		-	-	-	(1)	1	-	-	-	-	-	-	-
Special Unit for TCDC		-	-	-	1	(1)	-	-	-	-	-	-	-
Total (net)		-	-	2	(2)	-	-	-	-	-	-	-	-
Total progamme support		-	-	3	3	(3)	(3)	-	-	-	-	-	-
B. Management and administration													
Office of the Administrator/Associate Administrator		-	-	1	(1)	-	-	-	-	-	-	-	-
Evaluation Office		-	-	-	-	-	-	-	-	-	-	-	-
Office of Audit and Performance Review - Headquarters		-	-	-	-	-	-	-	-	-	-	-	-
Office of Audit and Performance Review - Country offices		-	-	-	-	-	-	-	-	-	-	-	-
Bureau for Resource Mobilization and External Affairs		-	-	-	2	(2)	-	1	1	-	(1)	-	-
Bureau for Planning and Resource Management		-	1	-	(1)	1	-	-	1	-	(1)	-	-
Bureau for Financial and Administrative Services		-	(1)	1	1	(1)	-	-	-	-	-	-	-
Headquarters - Central		-	-	-	-	-	-	-	-	-	-	-	-
Country offices - Central		-	-	-	-	-	-	-	-	-	-	-	-
Total (net)		-	-	2	1	(2)	-	1	2	-	(2)	-	-
C. Support to operational activities of the United Nations													
Country offices	see note												
United Nations Development Group Office		-	-	-	-	-	-	-	-	-	-	-	-
Inter-Agency Procurement Services Office		-	-	-	-	-	-	-	-	-	-	-	-
United Nations Volunteers		-	-	-	-	-	-	-	-	-	-	-	-
Total (net)		-	-	-	-	-	-	-	-	-	-	-	-
Total: Post reclassifications (net)		-	-	5	4	(5)	(3)	1	2	-	(2)	-	-
Total changes (net)		-	-	-	(1)	(9)	(3)	-	(13)	3	(16)	(26)	
2000-2001 PROPOSED POSTS		9	53	138	199	152	45	7	603	606	2,819	4,028	

Note: All post resources assigned to country offices are shown under programme support - country offices alone and are not split between programme support – country offices and support to the operational activities of the United Nations – country offices.

39. Total resources for programme support – country offices, as shown in summary table I, are estimated at $272.3 million. The Administrator recognizes that it is most imperative that UNDP deliver and demonstrate results at the country level. In his budget proposals, he has therefore maintained the current level of budgetary resources allocated to the country level, with a marginal increase. As summary table I shows, there are, however, shifts in budget allocations between the regions resulting from the redistribution of posts. Furthermore, as shown in annex I, the Administrator now integrates the resources relating to the SURFs in the relevant regions they support. A proposal is also made to adjust the current estimated GLOC income. All these issues are discussed further below.

(a) Posts allocated to country offices by region

40. As mentioned in paragraph 13, UNDP support to programme countries at the country-office level has been given the highest priority in terms of budget resource allocation. This is reflected by the increased percentage of UNDP posts allocated to this component in relation to headquarters, when compared to the period 1998-1999. As shown in table 4, the percentage of posts allocated to country offices has increased from 83.0 per cent under the current biennium to 83.9 per cent in 2000-2001.

41. The budget proposals aim at providing the resources necessary to enable the UNDP network of offices to demonstrate results in terms of programme impact and efficiency. The total number of posts at the country-office level for the three staff categories (international Professionals, national Professionals, and General Service) reflected in the document is initially the same as that for 1998-1999 (excluding PAPP and OAPR). However, during the biennium, the Administrator will gradually bring functions more in line with the strategic needs and priorities at the country-office level, within the same volume of budget resources for posts. This will in particular entail a further shift from traditional processing and internal service functions to more substantive functions. This shift will support the results orientation of the MYFF and is facilitated by full use of modern information technology and systems. Some of the processing functions may also be outsourced to the private sector if and when costs can be reduced. Furthermore, this approach would be consistent with the recommendation by ACABQ in its report on the 1998-1999 budget (DP/1997/31) that UNDP should increasingly use its budget resources to contract staff services with the possibility of quick response to changes in programmes and resource levels. UNDP will keep the Executive Board duly informed in future budget sessions as to how the organization has realigned its human resources to its strategic priorities and changing demands.

42. Table 7 shows the numbers and averages of Professional posts (international and national) allocated to the country offices in each region, taking into consideration the number of programme countries and their respective TRAC allocations. The distribution of posts incorporates some adjustments, reflecting Executive Board decision 99/2, which entailed a certain redistribution of TRAC 1 resources. In this respect, any downward adjustments to the regional allocations have been applied. However, a part of any upward adjustments has not been released pending allocations to the country office level. These resources will be allocated to address specific strategic needs as further described in paragraph 47 (j). The percentage of Professional posts (international and national) allocated to low-income countries has further increased compared to 1998-1999 from 67 per cent to 70 per cent. This leads to an average capacity for low-income programme countries of 3 international and 5 national Professional posts. For middle-income programme countries, the average capacity will be 1 international

Table 6: Use of resources: Estimated regional distribution of programme and programme support

(millions of United States dollars)

	1998-1999						2000-2001					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	$	%	$	%	$	%	$	%	$	%	$	%
AFRICA												
A Programmes	465.4		170.4		635.8		491.3		233.4		724.7	
B Programme support												
Country offices	79.3		4.0		83.3		82.4		6.4		88.8	
Headquarters	12.4		1.0		13.4		11.7		1.7		13.4	
Subtotal programme support	91.7		5.0		96.7		94.1		8.1		102.2	
Total Africa	557.1	31.5	175.4	8.1	732.5	18.7	585.4	34.3	241.5	7.5	826.9	16.6
ARAB STATES												
A Programmes	88.1		85.9		154.0		85.1		268.0		353.1	
B Programme support												
Country offices	20.7		10.2		30.9		19.1		13.6		32.7	
Headquarters	4.9		1.0		5.9		4.5		1.7		6.2	
Subtotal programme support	25.6		11.2		36.8		23.6		15.3		38.9	
Total Arab States	93.7	5.3	97.1	4.5	190.8	4.9	108.7	6.4	283.3	8.8	392.0	8.0
ASIA AND THE PACIFIC												
A Programmes	363.2		148.9		512.0		314.5		241.7		556.2	
B Programme support												
Country offices	44.7		4.7		49.4		41.7		6.5		48.2	
Headquarters	7.4		0.6		8.0		7.0		1.3		8.3	
Subtotal programme support	52.1		5.3		57.4		48.7		7.8		56.5	
Total Asia and the Pacific	415.3	23.5	154.1	7.1	569.4	14.5	363.2	21.3	249.5	7.8	612.7	12.5
LATIN AMERICA AND THE CARIBBEAN												
A Programmes	59.8		1 350.0		1 409.8		61.3		1 869.3		1 930.6	
B Programme support												
Country offices	28.8		32.6		61.4		28.9		40.5		67.4	
Headquarters	4.8		4.2		9.0		4.2		5.5		9.7	
Subtotal programme support	33.6		36.8		70.4		31.1		46.0		77.1	
Total Latin America and the Caribbean	93.4	5.3	1 386.8	64.3	1 480.2	37.8	92.4	5.4	1 915.3	59.6	2 007.7	40.8
EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES												
A Programmes	66.3		51.8		118.1		83.5		124.6		219.1	
B Programme support												
Country offices	18.9		1.3		20.2		22.9		3.1		26.0	
Headquarters	4.2		0.6		4.8		4.3		1.1		5.4	
Subtotal programme support	23.1		1.9		25.0		27.2		4.2		31.4	
Total Europe and the Commonwealth of Independent States	89.4	5.1	53.7	2.5	143.1	3.7	120.7	7.1	128.8	4.0	249.5	5.1
INTERCOUNTRY, GLOBAL AND OTHERS												
A Programmes	112.2		179.7		291.9		87.5		219.9		307.4	
B Programme support												
Headquarters	21.1		21.8		42.9		21.1		23.7		44.8	
Total intercountry, global and others	133.3	7.6	201.5	9.3	334.8	8.5	108.6	6.4	243.6	7.6	352.2	7.2
CENTRALLY MANAGED SUPPORT												
Country offices	17.8		4.5		22.3		23.9		6.6		30.5	
Headquarters	5.9		-		5.9		3.6		1.6		5.2	
Subtotal programme centrally managed support	23.7	1.3	4.5	0.2	28.2	0.7	27.5	1.6	8.2	0.3	35.7	0.7
TOTAL UNDP												
A Programmes	1 135.0		1 986.6		3 121.6		1 133.2		2 956.9		4 090.1	
B Programme support												
Country offices	210.2		57.3		267.5		216.9		76.7		293.6	
Headquarters	60.7		29.2		89.9		56.4		36.6		93.0	
Subtotal programme support	270.9		86.5		357.4		273.3		113.3		386.6	
Total UNDP	1 405.9	78.8	2 073.1	96.2	3 479.0	86.8	1 406.5	82.3	3 070.2	95.5	4 476.7	91.0
Agencies	97.5	5.0	38.4	1.8	126.9	3.2	29.9	1.9	60.3	1.9	90.2	1.8
C Management and administration	114.1	6.5	6.9	0.3	121.0	3.1	110.9	6.5	8.6	0.3	119.5	2.4
D Support to operational activities of the United Nations	156.1	8.9	36.4	1.7	192.5	4.9	160.6	9.4	73.5	2.3	234.1	4.8
GRAND TOTAL	1 783.6	100.0	2 155.8	100.0	3 919.4	100.0	1 707.9	100.0	3 212.6	100.0	4 920.5	100.0

and 2 national Professional posts. These averages exclude posts related to the subregional resource facilities, which have been integrated into the total posts allocated to each region (see paragraphs 44-46).

Table 7. Allocation of posts to country offices per region on the basis of TRAC resources, 2000-2001

	Africa	Arab States	Asia	Europe and CIS	Latin America and the Caribbean
I. PROGRAMME COUNTRIES (INCLUDING NCCs IN TRANSITION)	44	12	34	27	28
Low-income countries	36	4	15	10	4
Middle-income countries	8	8	19	17	21
NCCs in transition					3
of which:					
LDCs	32	4	12	0	2
II. PROFESSIONAL CAPACITY a/					
A. International Professionals	126	30	76	42	39
B. National Professionals	214	47	119	69	58
Subtotal Professional staff	**340**	**77**	**195**	**111**	**97**
Specialist professionals:					
C. International economists posts	22	2	3	0	0
D. Subregional information managers	6	2	6	1	3
Total Professional staff in programme countries	**368**	**81**	**204**	**112**	**100**
III. NET CONTRIBUTOR COUNTRIES		5	1		2
A. International Professionals		7	1		3
B. National Professionals		0	0		0
Total Professional staff in programme countries and NCCs	**368**	**88**	**205**	**112**	**103**

a/ Average and total number of Professional staff per income group.

Income group	Number of countries	Average (rounded) international Professionals	Average (rounded) national Professionals	Total Professional capacity	
				International	National
Low-income countries	69	3	5	212	354
Middle-income countries (including NCCs in transition)	73	1	2	89	148

43. NCCs are considered as a separate group of countries and are included in table 7 as a separate line. Staff entitlements for NCCs will remain in line with the provisions of Executive Board decision 96/41and as reiterated in decision 99/2. However, the Administrator proposes certain changes in the criteria applied in that the programme period will now extend from three to four years (see paragraph 51).

(b) Substantive support capacity at the subregional level (SURFs)

44. As an important element of the UNDP 2001 change process, subregional resource facilities have been established to strengthen UNDP knowledge management in an innovative, cost-effective and demand-driven manner, making full use of modern information technology. Six SURFs were established in the framework of the 1998-1999 budget: two in Asia, building on the experience in the Pakistan and Thailand country offices, which already provided similar functions, and one new SURF in each of the other four programme regions. The specific demands have varied from region to region but the first generation of SURFs has proven to add value at the country-office level: providing access to information on specialists and programmes, facilitating networking among development partners, and disseminating best practices in the UNDP focus areas.

45. The Global SURF Hub at headquarters serves the regional SURFs by setting common standards and by providing access to the thematic expertise and knowledge available in BDP and HDRO. By providing this support, the regional SURFs can respond better to the full range of country office needs.

46. Demand for SURF services is expected to increase in the course of the 2000-2001 biennium until all country offices are effectively covered. The post resources for the first six SURFs have been integrated into the regional allocations, as reflected in table 7. Further expansion will be managed by the regional bureaux, as one of the strategic areas to be addressed within the total regional post allocations. Regional bureaux are also mobilizing other resources to support SURF requirements beyond the existing level.

(c) Centrally budgeted resources

47. A third area of the budget proposals pertaining to Programme support – country offices covers resources that are being budgeted and managed on a more regional and global basis. As shown in summary table III, the total number of posts budgeted in this component for 2000-2001 includes 58 international Professionals and 32 national Professionals as well as 44 support staff posts. The breakdown is as follows:

(a) Currently a provision exists for 15 international Professionals to increase the capacity of offices in countries in crisis or special circumstances. During the 1998-1999 period, this approach has given the organization the necessary flexibility and speed to address demands by countries in a crisis situation in all five programme regions. Building on this positive experience, the Administrator believes that the approach should be maintained in the 2000-2001 budget;

(b) There has been a redeployment to this area of 2 international Professionals outposted to the United Nations Secretariat to support a joint United Nations response to security issues at the programme country level. This allocation was covered previously under management and administration. As mentioned in paragraph 32, also included under this category is the UNDP share for United Nations security coverage at the country level;

(c) This area also includes, as a continuation of the 1998-1999 budget, 27 international posts for economists assigned to regions as reflected in table 7 above;

(d) As in the 1998-1999 budget, 18 national Professional posts for subregional information managers have been included to build country-office capacity by transferring knowledge and skills to the local area network (LAN) managers, and to pre-qualify and select local consultants for the offices. This area, however, will be further reviewed in the course of 2000-2001 in an effort either to concentrate these resources on strategic-level support functions or to integrate the staff into country offices;

(e) This area also covers an allocation of 2 international Professional posts, 3 national Professional posts, and 10 support staff posts for the Programme of Assistance to the Palestinian People. This brings PAPP to its required capacity and represents an increase of 1 international Professional, 3 national Professional and 9 support staff posts compared to 1998-1999;

(f) As in the 1998-1999 budget, a provision continues to be made for 9 trainees as a minimum requirement to facilitate the ongoing renewal of human resources in the organization;

(g) Also included is a provision for the planning and assessment of new United Nations Houses, which is further described in paragraphs 112-113;

(h) This area further covers a provision for systems development. Although substantial progress has been made during 1998-1999, much remains to be done in the sharing of knowledge and in addressing the changing environment of management and reporting on the use of resources. This is further described in paragraphs 100 to 102;

(i) As discussed in paragraph 32, this area also contains a share of the costs relating to premiums for after-service health insurance for retirees; and

(j) Finally, a small percentage (between 1 and 2 per cent) of the post resources (3 international Professionals, 11 national Professionals, and 34 support staff posts) are pending, awaiting allocation to the country-office level and will be used for specific strategic needs. These resources could be used, for example, as additional measures to achieve higher efficiency at the country-office level. This could be achieved by clustering operational functions on a subregional basis by first strengthening a selected country office that would subsequently, in the course of the biennium, take over certain operational functions from the other country offices in the subregion that it services. This initiative would also facilitate further decentralization of certain processing functions from headquarters to the subregional operational hubs. These flexible resources could also be allocated to specific development situations that warrant the organization's action at the country-office level and which cannot be adequately and timely addressed by available regional resources or other centrally managed resources for the country office level.

(d) Government contributions toward local office costs (GLOC)

48. In accordance with the provisions of the standard basic agreements that govern UNDP operations in programme countries, host Governments contribute towards the costs of country offices. In its decision 82/18 of 18 June 1982, the Governing Council recognized that local economic conditions may have an impact on the ability of programme countries to meet their obligation to cover office costs. In its decision 84/9 of 29 June 1984, therefore, the Council authorized the Administrator to waive in part the obligation to contribute when economic conditions of countries concerned so warrant. For the programming cycle 1997-2000, the Executive Board approved in its decision 96/41 the waiver percentages according to 1994 gross national product (GNP) per capita shown in table 8.

Table 8. GLOC waiver bands and percentages, 1997-2000 programming period

1994 per capita GNP (in US$)	Waiver percentage (%)
4 701 and above	0
1 501 - 4 700	25
751 - 1 500	50
0 - 750	75

49. Table 8 provides the GLOC waiver percentages that would apply to the first year of the 2000-2001 biennium. From 2001, the Administrator proposes that the basic principles of the waiver system be maintained on the understanding that the waiver bands and the base year for per capita GNP data are adjusted in line with Executive Board decision 99/2 on successor programming arrangements. These changes are reflected in table 9 and will apply to the second year of the 2000-2001 biennial budget.

Table 9. GLOC waiver bands and percentages, 2001-2003 programming period

1997 per capita GNP (in US$)	Waiver percentage (%)
4 701 and above	0
1 501 - 4 700	25
901 - 1 500	50
0 - 900	75

50. Countries with a GNP per capita in 1997 of $ 4,701 and above are expected to reimburse UNDP for all office-related costs, including costs relating to international staff and international travel. These countries can reimburse the country office costs through a flexible mix of instruments, as endorsed by the Executive Board in its decision 99/2. The biennial budget could provide the resources for a resident representative and second international staff depending on the volume of programme activities in the respective country (see paragraph 51). Countries that fall in any of the remaining three GNP categories of $4,700 and below are expected to contribute towards part of all office costs, excluding the costs of salaries and allowances for international staff, international business travel, and hospitality. The actual cash targets will be determined on the basis of the respective waiver percentages that are indicated above. These cash targets will be adjusted for the contributions that Governments provide in-kind.

51. Under the terms of Executive Board decision 96/41, and as reiterated by the Board in its decision 99/2, based on the volume of total programme levels in a net contributor country over a programme period, UNDP could cover from its biennial support budget some costs relating to the UNDP presence. Under the terms of decision 96/41, UNDP pays for the cost of a resident representative when the total volume of programme activities in the three-year programme period is at least $8 million. UNDP could also pay for the cost of a second international Professional post if the total volume of programme activities is at least $12 million in the three-year programme period. The Administrator proposes to maintain the existing criteria for 2000-2001 but proposes an adjustment to take into account the extension of the programme period to four years in line with the MYFF period. As such, he proposes that the total programme level for the cost of a resident representative to be financed from the biennial support budget be increased from $8 million to $10 million and that the level for possibly covering the cost of an additional international Professional post be increased form $12 million to $16 million. Consistent with decision 99/2, countries exceeding the threshold of $4,701 would continue to be granted waivers for a period of three years following the year of graduation.

52. In presenting the biennial budget for 1998-1999 (DP/1997/23), the Administrator aimed at a substantial increase in the collection of GLOC contributions to an estimated $60.0 million

for the two-year period. The two mechanisms that have been implemented by which contributions are collected from host Governments are: (a) direct cash contributions and (b) an accounting linkage with voluntary contributions. The latter mechanism, the accounting linkage, was approved by the Governing Council in its decision 84/9, in such a manner that contributions are first applied against the obligations towards local office costs. The Administrator proposes that this provision continue to apply.

53. In the context of the 1998-1999 budget, and as part of the efforts to improve the collection of GLOC contributions in cash, the Executive Board approved an additional mechanism in decision 97/24 to cover GLOC shortfalls. This additional mechanism provided the Administrator with the authority to establish a linkage with the programme resources allocated to a host country that does not meet its obligations in full, and would cover shortfalls in GLOC by a downward adjustment of the allocation of programme resources to the country concerned. This mechanism would also address the inequity in the approach by which a shortfall in some countries reduces available programme resources in general, including for countries that do meet their GLOC obligations in full. However, the Board stressed that in applying the mechanism, the special circumstances of low-income countries should be taken into account, including small island developing States.

54. In 1998, an amount of $18.0 million was received either directly or through the accounting linkage with voluntary contributions, against a $ 30.0 million projection. Of the $18.0 million received, $3.5 million was contributed by low-income countries, $12.0 million by middle-income countries, and the remaining amount, $2.5 million, by net contributor countries. The average percentage of payments received against the projection is 60 per cent. For each specific group of countries, this percentage is reflected in table 10. For several reasons, the Administrator has not applied the additional mechanism of covering the shortfall by reducing the programme resources of the countries that have not met their obligation in 1998. First, approximately half of the total difference between projections and income can be attributed to the low-income countries, which, as stressed by the Executive Board, should receive special consideration. Second, for one third of those middle-income countries where there is a shortfall between projections and income received, application of the additional linkage to programme resources would drastically reduce their allocated TRAC resources. Furthermore, there are considerable difficulties in applying the mechanism, as in most cases the existing TRAC resources for a country have already been fully committed and therefore any linkage will have to be applied in a future programming period.

Table 10. GLOC income by category of countries, 1998

	Percentage received in 1998 against projections	Projected income for 1998 ($ millions)	Income received in 1998 ($ millions)
Low-income countries	37	9.5	3.5
Middle-income countries	67	18	12
Net contributor countries	100	2.5	2.5
Total		**30**	**18**
Least developed countries	33	8	2.6

55. In view of the above, the Administrator proposes a lower overall estimate of GLOC income for the biennial budget 2000-2001. In partnership with the low-income countries, UNDP proposes an income projection falling between the 1998 payment level and the GLOC targets. While the low-income countries are still expected to improve their performance significantly regarding GLOC, the projected income level for this group has been reduced by $6 million for 2000-2001. While the middle-income countries, as a group, have provided 67 per cent of their projected income contribution, they also provided in 1998 a net amount of $5 million as voluntary contributions to the organization. UNDP will consult with the Governments in those middle-income countries where the net costs of the local office structure to UNDP is relatively high to determine jointly the availability of means and instruments to sustain a meaningful UNDP presence. However, to the extent that middle-income countries show a substantial GLOC deficit for 1998 and/or 1999, the Administrator proposes the option to withhold part of the budget resources for 2000 and/or 2001 respectively for those countries. This would automatically reduce the GLOC obligations for those countries. The Executive Board will be duly informed of the measures taken in this respect in future sessions on the budget.

2. Headquarters

56. Under the Programme support component in headquarters are the five regional bureaux, the Bureau for Development Policy, the Special Unit for Technical Cooperation among Developing Countries, the Operations Support Group and the Emergency Response Division. As table 4 shows, 4.3 per cent of total post resources is allocated under this component of the budget.

57. Total resources allocated for this component of the budget, as shown in summary table I, amount to $59.7 million compared to $64.0 million in 1998-1999. Overall net volume reductions amount to $4.6 million and are described below.

(a) Operations support and emergency response

58. The Operations Support Group, established in connection with UNDP 2001, acts as the office of the Associate Administrator and was accordingly included as a separate unit in the 1998-1999 budget. OSG has been restructured in 1999, with the result that the Emergency Response Division is now a separate unit reporting directly to the Associate Administrator.

59. Based on the restructuring, OSG will continue to be responsible for two functions: (a) operations and support and (b) operations analysis. In the context of the 2000-2001 budget, OSG has effected reductions amounting to 19 per cent of its current budget. The reduction in posts as a result of the restructuring is summarized in table 5.

60. In focusing on operational policies and procedures, OSG has the responsibility of disseminating the results of work carried out by BDP within the organization, liaises with DGO and the United Nations Secretariat on operational matters such as the UNDAF, develops new programming tools, and provides/coordinates general support to enhance operational performance. Furthermore, it will coordinate and monitor programming instruments and execution arrangements. In operational analysis, OSG will be responsible for the analysis of information coming from Bureaux, UNDP-administered funds, corporate units, and selected country offices, such as the strategic results frameworks (SRFs), results-oriented annual

reports (ROARs), compacts and country reviews. Such analysis will serve to discern issues for action and to ensure early identification of opportunities, trends and challenges.

61. The Emergency Response Division will act as a separate entity supporting the Administrator and Associate Administrator in exercising oversight of the organization's work relating to countries in special development circumstances. ERD will coordinate with regional bureaux in responding rapidly to immediate needs in crisis countries. In addition, the Division will also be responsible for the disaster-mitigation activities that have been transferred from the United Nations Secretariat to UNDP in line with General Assembly resolution 52/12 B and which continue to be funded by the United Nations Secretariat. Following a review of ERD functions, two Professional posts are proposed for reclassification, as shown in table 5.

(b) Regional bureaux

62. Reductions in the regional bureaux were kept to a minimum so as to maintain a reasonable capacity in each Bureau. The relevant post reductions are summarized in table 5. During 2000-2001, the regional bureaux will play a key, strategic role in working closely with country offices, together with other relevant headquarters units, in supporting UNDP to deliver and demonstrate results under the MYFF. UNDP will also continue to rationalize during 2000-2001 the management of human and financial resources relating to country offices. The objective will be to locate relevant functions to where they make best business sense, avoiding duplication and adopting a streamlined approach.

63. In view of the transition in the leadership of the organization, the Administrator has deferred any decision at this time on any change in the location of regional bureaux.

(c) Development policy

64. In the context of the 2000-2001 biennial support budget, the Bureau for Development Policy has carried out a rationalization of its functions, taking into account the need for UNDP to maximize its available resources in priority areas. In this connection, BDP is proposing a reduction of 14 per cent in its current budget. The reduction in posts in the context of the review carried out by BDP is summarized in table 5. During 2000-2001, BDP will concentrate its available budgetary resources in the activities described below.

65. BDP will focus on providing development policy leadership on sustainable human development based on lessons learned from operational activities, including analyses of global trends, risks and opportunities. It will continue to support the organization's learning by extracting and analysing lessons learned and incorporating them to policy and programme development and by ensuring UNDP access to the best knowledge available worldwide. BDP will also continue to be responsible for the Global Hub of the SURF system. In its responsibility as manager of the global programme resources of UNDP, it will influence the use of these resources to achieve these ends and will mobilize further resources in support of the objectives. In undertaking its work, BDP recognizes the importance of supporting the pursuit of global goals with related capacity-building and policy work at the country level and will focus its activities taking this into account.

(d) Centrally budgeted resources

66. This subcomponent covers a number of elements that are centrally budgeted and managed but that relate to the total cost of Programme support – headquarters. These are discussed under the overall section on centrally budgeted resources for headquarters, in paragraphs 83 to 86.

D. Management and administration

67. The management and administration component of the budget comprises: Office of the Administrator, Evaluation Office, Bureau for Resource Mobilization and External Affairs, Bureau for Planning and Resource Management, Bureau for Financial and Administrative Services, Office of Audit and Performance Review, and a central component for headquarters and country offices. As shown in table 4, this component is allocated seven per cent of total post resources. Total resources allocated for this component of the budget, as shown in summary table 1, amount to $117.2 million. Overall, net volume reduction under this component amounts to $9.4 million. The areas that are principally affected by the reduction are described below.

1. Audit and performance review

68. With regard to the Office of Audit and Performance Review, the Administrator is proposing certain organizational, operational and delivery changes with a view to achieving savings in the budget of OAPR for 2000-2001. These changes take into account increasing workload, as support units delegate or transfer responsibilities following further decentralization. In addition to the consolidation of certain functions within OAPR, the most significant of these changes include the following:

(a) Deferring the opening of the fourth Regional Audit Service Centre until 2002-2003. The contracted audits of country offices in RBAS and RBEC will instead be managed from headquarters, under flexible contractual arrangements;

(b) Targeting the cycle of contracted audits of country offices every four years; and

(c) Continuing the support for the control risk self-assessment programme.

69. Through this strategy, OAPR will generate savings amounting to approximately 13 per cent of its total budget covering both headquarters and the country level, including the redeployment of one Professional post from headquarters to country office. OAPR will continue to provide dedicated audit services to UNFPA and UNOPS. In addition, it will provide audit coverage for the Funds administered by UNDP, based on an agreed reimbursement mechanism.

2. Resource mobilization and external affairs

70. The greatest challenge for UNDP is to restore growth and enhance the predictability of the organization's regular resource base. In addition, it will be imperative that UNDP better define, capture and communicate clearly and effectively the results achieved. In this regard,

the Bureau for Resources Mobilization and External Affairs will play a critical role in its activities relating to servicing the intergovernmental processes, building strategic partnerships, strengthening global resource mobilization and providing public information.

71. In connection with the 2000-2001 budget, BREA carried out a review of its activities and functions with a view to identifying possible efficiency gains in its operations while maintaining required capacity; BREA was able therefore to effect reductions amounting to 10 per cent of its current budget. This will be achieved through maximum cost-recovery for services performed, outsourcing activities where financially feasible, maximum decentralization and streamlining of operations. The reduction in posts in this connection is reflected in table 5, as are the proposals for the reclassification of posts.

72. The Administrator intends to provide some additional strengthening of the resource mobilization function funded from regular and other resources. Under the transitionary measures reserve, there is also a proposal for a one-time allocation for the resource mobilization and public information area that will enable the new Administrator to target specific activities to help to reverse the declining trend in resources, specifically as it relates to the MYFF and results orientation.

73. In the continuing dialogue on the communication and advocacy strategy for UNDP, the Executive Board adopted decision 99/10 at its annual session, based on the report submitted by the Administrator on the strategy the organization intends to follow during 2000-2001. The priority areas the organization will pursue during 2000-2001 emphasize a corporate communications and advocacy strategy in results and progress towards a clearer demonstration of the development achievements of UNDP.

74. The Executive Board will continue to be consulted and duly informed on progress in carrying out the strategy presented in document DP/1999/19.

3. Planning and resources management

75. In the context of the 2000-2001 biennial support budget, a review was carried out within the Bureau for Planning and Resources Management, to identify possible areas that could be further rationalized and streamlined as discussed below. Advantage has been taken of possible synergies achieved by bringing together the functions of strategic planning, budgeting, programme resource planning and coordination, human resources management and information management as well as of the introduction and implementation of new systems. Functions/activities that could benefit more by being decentralized to other units were also taken into account. This has enabled BPRM to effect reductions amounting to 12 per cent of its current budget. The resulting reduction in posts is shown in table 5. The reductions will principally be in the programme resource planning and human resource management areas, with some minor reductions in other units.

76. In January 1998, a decision was made to expand further the functions of the Division of Resource Planning and Coordination and to transfer the Project Funds Units from the Bureau for Finance and Administration to DRPC as Resource Management Units. The mandate of DRPC was thereby expanded to support direct operational management of programme finance in addition to its traditional responsibilities for policy, coordination and management of programme funds.

77. Based on the increased role of DRPC, a rationalization of the activities of the unit was carried out. This resulted in a reconfiguration of DRPC in order for the Division to deal effectively with the operational aspects of programme finance as well as with programme policy issues relating to the management of resources from all sources. The more operational functions of DRPC have also been focused on harmonized oversight, management support and policy analysis, moving away from the more routine and clerical functions carried out by the previous Project Fund Units. Much of this will be accomplished through the implementation and further evolution of the Financial Information Management System (FIMS). The synergies expected from these various improvements will contribute to future budgetary savings and will ensure increased efficiency in various resource-management functions. Accordingly, the DRPC staffing profiles will gradually shift to reflect the higher level of professional expertise required for key oversight and analysis functions in support of the different bureaux and funds and a reduction in operational support staff posts. Similarly, the financing of posts within DRPC will also be gradually brought into line with the level of regular resource and other resource activities for which DRPC is responsible. Following the increased responsibilities assumed by DRPC, the Administrator proposes the reclassification of two Professional posts, as shown in table 5.

78. In the ongoing rationalization of human resource-related functions, the Office of Human Resources will concentrate on strategy, policy and advisory functions, thereby reducing labour-intensive operations. This vision has required a major realignment of OHR resources in several areas in the coming biennium. In this connection, OHR will intensify its ongoing work in the streamlining of rules and procedures that began with a major re-engineering effort in 1998. This effort will require a quantum leap in the way benefits and entitlements are defined and managed. The simplification and streamlining effort will facilitate decentralization in every possible area and is critical to the parallel delegation of human resource functions to line managers in both country offices and headquarters. This implies a further expansion of the Human Resource Adviser concept, already piloted in some bureaux. The approach is in keeping with the objective to locate relevant functions where they make best business sense, avoiding any possible duplications and adopting a streamlined approach. Furthermore, the full benefits to be realized with the implementation of IMIS are foreseen after relevant enhancements and the payroll-related system have been implemented.

79. There are also certain areas where OHR functions must be centralized and strengthened. The selection of resident coordinators on the basis of proven competencies and through an assessment centre approach, as well as their placement through the usual machinery requires staffing commensurate with the strategic importance of this function to the United Nations system as a whole. Therefore, a small unit dedicated to this important function has been incorporated in OHR.

4. Financial and administrative services

80. As mentioned by the Administrator in his proposals on the 1998-1999 biennial support budget, possibilities for further decentralization, relocation, outsourcing, common services and re-engineering in the financial and administrative service areas, were not expected to materialize until the 2000-2001 biennium, when new systems would be expected to be in place. In this connection, while the relevant new systems are yet to be fully implemented, the Administrator has identified certain areas within the Bureau for Financial and Administrative Services where savings amounting to approximately 10 per cent of the current BFAS budget

could be achieved in the 2000-2001 budget. The savings are principally through reductions in the number of temporary personnel that BFAS will require; some benefits have already begun to accrue from the new systems. Proposals for post reclassifications are provided in table 5.

81. The Administrator sees further rationalization and consolidation of all functions relating to information systems during 2000-2001, specifically between BFAS and BPRM. Such rationalization during 2000-2001 will also take into account how UNDP could continue to gain maximum benefit through the latest information, communication and web-based technologies in carrying out its operations. Travel operations will also be reviewed to identify how the organization can obtain maximum possible benefit from the resources it attaches to this purpose. Furthermore, BFAS will continue to explore the benefits of further outsourcing some of its functions and/or possibly relocating some functions to more cost-effective locations.

82. BFAS will continue to provide services to UNFPA, UNOPS and the funds administered by UNDP, based on an agreed reimbursement mechanism.

5. Centrally budgeted resources

83. The centrally budgeted resources reflect those costs that need to be managed centrally since they relate to expenditure categories that cut across units as a whole. The centrally budgeted resources for both management and administration and programme support cover budgetary provisions for (a) the development of information systems under IMIS and other corporate projects described in paragraphs 100 to 102 and in annex II; (b) premises, furniture and equipment, EDP hardware and software, communications and advocacy; and (c) the reimbursement to the United Nations for services received and UNDP contributions to ACC joint-financed activities.

84. The principal reductions relate to the amount of $1.0 million that will be saved as a result of the retirement of the mainframe and the one-time investment in 1998-1999 to implement internal e-mail systems. Approximately $0.5 million must be retained in the budget for certain major maintenance projects relating to the headquarters premises. Two local posts that have been established at the G-3 level for support services partially offset the savings achieved. In addition, one Professional post has been redeployed and is currently maintained under this category to provide for some flexibility for the new Administrator.

85. With regard to the UNDP share in the ACC joint-financed activities and reimbursement to the United Nations for services received, the current budgeted levels have been maintained. The joint review by UNDP, UNFPA and UNICEF of the reimbursement to the United Nations is nearing completion. In this connection, the 1998-1999 budgeted levels are maintained, adjusted for relevant cost increases. Following the recommendation of ACABQ, the United Nations Secretariat has agreed with the organizations to present directly to ACABQ the final agreement with the financial implications prior to its implementation.

86. Overall cost increases reflected in this line are discussed in paragraph 32.

E. Support to operational activities of the United Nations

87. The Administrator continues to present as an integral part of the 2000-2001 biennial support budget the component of the appropriation structure relating to Support to the operational activities of the United Nations, which is consistent with the harmonized presentation of the budget as approved by the Executive Board. This component comprises: (a) the United Nations Development Group Office; (b) country offices; (c) the United Nations Volunteers; and (d) the Inter-agency Procurement Services Office. These are discussed in the following paragraphs.

1. United Nations Development Group Office

88. As mentioned in the 1998-1999 budget proposals, the existing capacity of DGO continues to be strengthened through the secondment on reimbursable loan of staff from UNICEF, UNFPA, WFP, and UNIDO. In addition, UNDP appreciates the financial support provided by some donor Governments for the implementation of elements of the United Nations reform proposals of the Secretary-General and for the strengthening of the resident coordinator system at the country level. The Administrator proposes a marginal reduction of one local post.

2. Country offices

89. A crucial role of UNDP lies in the activities that the organization is responsible for at the country-office level in support of the operational activities of the United Nations system in general, including the resident coordinator system. In its decision 93/35, the Governing Council endorsed the proposal of the Administrator to reflect the costs of UNDP country offices relating to this role in a separate appropriation line. Based on a detailed workload study carried out in 1992, this support was determined to be 29 per cent of country office activities. As requested by the Executive Board in its decision 95/28, UNDP carried out another review in 1997 to update the estimated workload relating to this activity. The results of this workload survey, covering responses from more than 80 per cent of all country offices, confirmed the expected trend of an increased overall workload relating to these activities, from 29 per cent in1992 to 34 per cent in 1997. In order to refine the methodology further, the costs attributed to the workload were arrived at by calculating the actual average cost for functional groups in each country office, which were then consolidated to arrive at the total cost, which was calculated at 27 per cent of the appropriations. Since the survey was carried out in 1997, only five years after the initial survey, the overall conclusions in terms of workload would continue to apply for 2000-2001.

90. The Administrator recognizes that UNDP should further review these activities to determine which type of regular support services should continue to be provided from UNDP regular capacity. This review would clarify the line between such regular support services and those services that are additional and more in the nature of project implementation and which should therefore be provided from the regular resources or trust funds of the respective agency. In this connection, the Administrator has initiated discussions with United Nations agencies to address and streamline the reimbursement of such additional services provided to them. UNDP will need to collect information on the experience with such reimbursement before it can estimate the potential volume reduction of the appropriation for support to the United Nations. This data-collection process will also cover the regular support services. The above is in line with the report of ACABQ on the 1998-1999 budget (DP/1997/31), in which the Advisory

Committee requested UNDP to review further the methodology for compiling and analysing the data relating to support to the United Nations. In its report, ACABQ encouraged UNDP to consider the possibility of expanding reimbursement to reduce the current appropriation for support to the United Nations.

91. As mentioned by the Administrator in his 1998-1999 budget proposals, the separation of the appropriation estimates for country offices into "Programme support - country offices" and "Support to operational activities of the United Nations system - country offices" is a presentational issue to reflect the support in a transparent manner. It does not affect the manner in which funds and posts are allocated to country offices and managed. In this connection, the tables in the present document relating to post resources show all posts in country offices under "Programme support -country offices". Furthermore, expressing the workload distribution also by the number of actual posts would be artificial and would affect the manner in which the allocation of post resources can be reviewed easily.

3. United Nations Volunteers

92. In paragraph 4 of its decision 97/24, the Executive Board approved the proposal of the Administrator concerning the staffing formula for adding supplementary staff at UNV headquarters. By this decision, the Board continued to recognize that for an operational programme such as the United Nations Volunteers, there is an obvious relationship between programme size based on the number of volunteer assignments and the support capacity required. This formula permits UNV support capacity to be adjusted in accordance with programme size. Given the fact that UNV managed the highest number of serving volunteers in its history in 1998, an upward adjustment of $2.0 million for the 2000-2001 biennium is justified on the basis of this mechanism. However, in the context of the 2000-2001 biennial support budget, UNV was requested, as other headquarters units, to effect reductions in its budget for 2000-2001. In this connection, the Administrator proposes not to apply the staffing formula for the period 2000-2001. In principle, therefore, the reductions proposed for UNV are summarized as follows:

DESCRIPTION	$ MILLIONS
Net reductions in posts, contractual services, travel and communications and reimbursements	1.4
2000-2001 additional staffing units not applied	2.0
Increased income from United Nations agencies	1.0
TOTAL	**4.4**

93. A review of these reductions should take into account that in the 1998-1999 biennial support budget, UNV reduced its budget by $4.1 million – attributed principally to the application of the revised staffing formula. Furthermore, the transitional funding from the Government of Germany, amounting to $2.1 million biennially and provided in connection with the Geneva-Bonn move, is scheduled to expire at the end of 1999. All the above budgetary factors make the 2000-2001 budgetary challenge for UNV very significant. Table 5 provides the adjustments relating to UNV posts for 2000-2001.

94. In order to meet this challenge, the Administrator is committed to exploring all possible opportunities to pursue the most cost-effective approaches to carrying out UNV activities and to

increasing productivity to the maximum extent possible by building on the rationalization and streamlining undertaken over the last few years. Recognizing, however, that more will have to be done with less to respond swiftly and effectively to the ever-changing demands and circumstances, including overall budgetary constraints, UNV will need to be given a high degree of flexibility in a number of areas. This will ensure that available resources can be used as effectively as possible. Some of the areas in which UNV is involved are:

(a) Opportunities to manage resources relating to posts, consultants and other staff costs more on a pool basis to allow UNV to respond flexibly to changing staffing requirements at any point in time;

(b) Maximum decentralization of authority allowing for quicker management response and action;

(c) Rationalization of country office reimbursement arrangements to minimize transaction costs;

(d) Some transitional funds to complete the last major components of the information systems development and implementation to pursue productivity gains, in particular in the area of volunteer administration.

95. A number of options were explored in developing the budget proposals. Mainstreaming of the UNISTAR functions in Bonn permitted the deletion of one support post and non-staff costs in New York and the transfer of one Professional post to Bonn. The possibility of relocating roster activities from Cyprus to Bonn proved not to be economically viable in view of higher relative costs in Bonn. Relocation of the office in Geneva was carefully weighed against operational business needs; given the intense interactions with United Nations humanitarian agencies in Geneva, it would be imprudent for UNV not to have an office in Geneva. The merger of the External Relations Group and the Resources Group and a review of general support services have resulted in some post reductions. Although other opportunities for consolidation, synergies and combination/integration of functions were reviewed in detail, it was not considered possible to implement them during the 2000-2001 biennium.

96. In the context of his 1998-1999 proposals, the Administrator informed the Executive Board that he intended to discuss with United Nations specialized agencies benefiting from volunteers provided by UNV for their own programmes, the proposal to reimburse UNV an amount equivalent to 10 per cent of the direct cost of a volunteer as overhead. On the basis of this proposal, an estimated income amount of $1.0 million was taken into account in the overall estimates of income that would offset the gross budget estimates. In this connection, he wishes to inform the Board that his discussions have been successful and that the proposed income has been obtained. The Administrator is therefore proposing an increase of $1.0 million in the estimated income, resulting in total estimated income of $2.0 million for UNV, which is taken into account in the overall estimates of income for 2000-2001.

4. Inter-Agency Procurement Services Office

97. As mentioned in previous biennial support budget submissions to the Executive Board, the Administrator continues to maintain his strategy that the activities of IAPSO will gradually become more self-financing and that only a small core capacity will remain financed from UNDP

resources. In the context of the 2000-2001 budget, he proposes to transfer the financing of some operating costs currently under the regular budget to other resources.

F. Other matters

1. Human resources management

98. The human resource capacity of UNDP will be a crucial factor in the ability of the organization to deliver and demonstrate results. In line with UNDP 2001, considerable attention continues to be given to staff learning through the decentralized delivery of learning packages, performance management and competency development, maximizing the use of competency-based learning modules and decentralized, team-based training. This will also include the specific requirements for staff at the country level, taking into account, among other things, the recently adopted national staff career development policy. Furthermore, the skills and tools required by the organization to respond to the specific needs of countries in crisis are also being addressed. The organization also intends to expand the use of computer and video-based packages as a tool for promoting learning, thereby also enabling the organization to maximize available resources for learning by reducing travel-related costs. The Administrator proposes to maintain the current budget allocation for learning, adjusted for inflation, of $7.4 million.

99. In the rapidly changing development cooperation environment in which UNDP operates, the ability of the organization to respond to the demands placed on it will depend on the skills mix of its human resource capacity. While UNDP will depend on its existing capacity to respond to such needs, it is inevitable on the basis of current experience, that UNDP will have to adapt its human resource capacity accordingly. There will be a need for the organization to continue to move from process-oriented functions to more substantive functions, with varied sets of skills. In this connection, the Administrator proposes to maintain the current allocation for separations, adjusted for inflation, in the amount of $7.7 million. The Administrator, in addition, proposes the establishment of a separation reserve amounting to $7.0 million for staff reductions and changes relating to the 2000-2001 budget proposals (see paragraphs 105-107).

2. Information technology and systems

100. Information technology and systems will continue to play a significant role for UNDP during 2000-2001. Key corporate systems under way will be completed and the organization will continue its focus on maximizing the use of the latest technology in its operations, which is critical for the decentralized nature of UNDP operations. Annex II to the present document provides a table containing summary information concerning the key systems projects on which the organization will be focusing during 2000-2001. The summary information provided in the table for each project provides some background information, development needs, cost allocation, time frame and resource estimates.

101. As can be seen from annex II, the organization will concentrate during 2000-2001 on completion of all IMIS-related releases, critical IMIS enhancements, substantive corporate programme and accounting-related systems. This will include specific systems needs relating to reporting and results-based management. While the Administrator includes in his proposals under the transitionary measures reserve (see paragraph 109) an amount of $1.0 million

towards any possible unforeseen implications relating to Y2K, he proposes to cover any additional requirements from available budgetary resources on a priority basis. The Administrator is proposing to maintain the current level of the budget, adjusted for inflation, for 2000-2001, as presented in table 11 and annex II. Furthermore, he will seek additional financing from other resources and from the clients UNDP services, that is UNFPA, UNOPS and the funds managed by UNDP, based on the extent to which they would wish to benefit from these projects.

102. UNDP will contribute its share towards the cost of the IMIS Common Service Organization, which has been established by the United Nations Secretariat for ongoing maintenance relating to IMIS. The share for UNDP, included in the 2000-2001 proposals for EDP requirements, is estimated at $1.6 million or 14 per cent of the budget of the IMIS Common Service Organization.

Table 11. Estimated distribution of electronic data processing requirements, 2000-2001
(thousands of United States dollars)

Purpose	Staff costs	Contractual services: Systems development	Contractual services: Maintenance services	Hardware/ software supplies	Other	Total
I. RECURRENT MAINTENANCE						
1998-1999	3 214.1	-	2 749.0	8 211.6	43.0	14 217.7
2000-2001	5 474.3	-	2 572.6	7 957.6	-	16 004.5
II. DEVELOPMENT OF MAJOR SYSTEMS						
Country office systems						
1998-1999	2 200.9 a/	1 055.2	-	432.5	270.0	3 958.6
2000-2001	1 069.5 a/	2 268.9	-	805.8	-	4 144.2
Headquarters systems						
1998-1999	1 716.2 a/	4 114.7	-	351.1	261.9	6 443.9
2000-2001	1 794.3 a/	3 806.8	-	1 351.9	-	6 953.0
Subtotal: II. Development of systems						
1998-1999	3 917.1	5 169.9	-	783.6	531.9	10 402.5
2000-2001	2 863.8	6 075.7	-	2 157.7	-	11 097.2
III. GRAND TOTAL						
1998-1999	7 131.2	5 169.9	2 749.0	8 995.2	574.9	24 620.2
2000-2001	8 338.1	6 075.7	2 572.6	10 115.3	-	27 101.7

a/ Includes training

3. Development support services

103. In its decision 89/59, the Governing Council established a separate allocation in the budget for development support services. The DSS mechanism was set up as a decentralized consultancy fund made available to resident representatives for additional substantive capacity in the form of short-term expertise, especially of a locally based nature. The Administrator

provided a full report on the use of DSS as part of the 1998-1999 biennial support budget. In document DP/1998/34 on the successor programming arrangements, the Administrator raised the issue of a lack of clear delineation between the nature of expenditures covered under either programme activities or the biennial support budget. While the amount earmarked for DSS represented 0.3 per cent of total core resources (under line 3.1 of decision 95/23), the line, however, has been covered under the biennial support budget, so as to reflect better the different decision-making and accountability processes that apply to the use of DSS funds.

104. As described in the 1998-1999 biennial budget, the main share of the DSS funds is being used for consultancies in the areas of substantive advice provided to Governments on priority concerns and for programmes relating to global themes, complementing other regular programme resources. Based on the actual use of the resources, therefore, it is proposed that this allocation (amounting to $7.7 million in 1998-1999) be shifted to the programme. Given the unique characteristics of this modality, the Administrator believes that this change would not jeopardize the harmonized budget approach but would simply cover resources in categories that best reflect their actual use. The decision-making process for DSS resources would not change since a similar mechanism as that for the resident coordinator funds would apply.

4. Reserves for separations and transitional measures

105. The Administrator sees 2000-2001 as a critical period for UNDP to reverse the downward trend in its regular resource contributions. He recognizes that the success of UNDP in responding to the demands of a rapidly changing development cooperation environment will largely depend on the ability of the organization to adapt to the changing environment.

106. Against this background and in view of the change in leadership of the organization, the Administrator proposes, as an integral part of his strategy, the establishment of two reserves for separations and transitional measures amounting to $7.0 million and $6.0 million respectively. Taking into account at least similar level of savings expected from the implementation of the 1998-1999 biennial support budget, he requests that the reserves, representing 2.2 per cent of the proposed 2000-2001 gross budget estimates, be established by a charge against the general balance of resources.

107. The reserve for separations is proposed as a means of covering the costs of separations relating to the post reductions and changes noted in the Administrator's 2000-2001 budget proposals. It is estimated that of the $7.0 million, an amount of $4.8 million will be required for separations relating to the reductions in headquarters and $2.2 million for separations of country office staff, on the basis of the redistribution of posts between regions. These estimates are based on the separation of 15 international Professional staff, 25 local support staff at headquarters, 21 national officers and 75 local support staff at the country level.

108. Furthermore, as an integral part of the strategy, there are specific transitionary measures that the Administrator recognizes as crucial to the organization in temporarily strengthening certain capacities within the organization to address priority needs. The transitionary measures cover two categories.

109. The first category relates to the following activities that are critical to UNDP for meeting the demands placed on it but which the Organization finds it difficult to fund because of reduced budgetary resources:

(a) To explore further opportunities for re-engineering, such as further outsourcing, relocating functions and identifying possible alternative work processes, including exploiting to the maximum extent possible the potential of information and web- based technologies in carrying out UNDP activities; $2.5 million is proposed towards covering costs relating to temporary staff and consultants, general operating expenses, and towards piloting some new approaches;

(b) For specific, targeted initiatives relating to the communication and resource mobilization strategy of the organization to communicate results achieved; $1.0 million is requested towards covering costs relating to consultants and other associated costs of specific communication and resource mobilization drives; and

(c) For possible unforeseen implications relating to Y2K; $1.0 million is proposed towards covering emergency measures at the country level.

110. The second category, amounting to $1.5 million, is support to the new Administrator in priority areas that he considers crucial for the organization in delivering, demonstrating, and communicating results.

111. The Administrator will keep the Executive Board duly informed in future budget-related sessions of the status and use of the above reserves and the benefits derived from their utilization.

5. United Nations House

112. An integral part of the United Nations reform plan proposed by the Secretary-General in March 1997, the United Nations House programme was launched as a new initiative. As stressed in the reform plan, the drive to establish common premises and common services arrangements at the country-office level will save administrative costs to the benefit of the programme countries and will serve to encourage a regular habit of coordination, cooperation and consultation. A number of key elements are now in place to support the efficient planning and implementation of the United Nations House programme. Three of them have been developed or finalized during the course of 1998: an executive decision-making process through the Management Group; a clear definition and minimum pre-requisites of the United Nations House; and a methodology to support decisions. As a first step in the implementation of the United Nations House programme, the configurations of the present offices worldwide were reviewed. Twenty-eight offices were identified as meeting the criteria for designations as United Nations Houses in 1998 and either have been endorsed or are pending official endorsement by the Secretary- General. Two new United Nations Houses were formally established in 1998: one in Lebanon and one in Mauritius. The related costs have been borne by the existing budget allocations for premises and major alterations while other needs in this area are being postponed.

113. As previously noted in document DP/1999/CRP.5, submitted to the Executive Board at its second regular session 1999, a concrete plan of action to implement further the United Nations House programme at an accelerated pace needs to be matched with adequate resources. As a minimum, the Administrator proposes the further assessment of 10 countries in each of the two years of the biennium, in accordance with the methodology. Half of those countries will require major inputs of resources for the relocation costs, such as renovations,

furniture, fittings and moving costs. The established practice for sharing the costs is one third from UNDP, one third from UNICEF, one sixth from UNFPA and one sixth from WFP. This formula, however, will apply strictly only to the evaluation, planning and management costs since each organization will fund its specific share of the relocation costs in proportion to the size of its presence in each of the targeted countries. The evaluation, planning and management costs for UNDP for the above plan of action have been estimated at $0.5 million, which the Administrator has provided for in the biennial budget 2000-2001. As to the relocation costs, the Administrator proposes that a capital reserve in the amount of $3.8 million be established from UNDP general resources. This approach takes into account that the relevant activities would be spread over a number of years; the approach is similar to that followed by the other partners. This reserve is distinct from, and will be managed differently from, the existing field accommodations reserve, which the Administrator has reported on previously to the Board.

6. Cost-recovery

114. In keeping with the request of the Executive Board to be kept informed on the subject of cost-recovery, the Administrator provides in the following paragraphs a brief update on the current status of the subject.

115. UNDP has been authorized by the Governing Council and the Executive Board (decisions 82/33, 84/42, and 98/2) to provide a range of support services in accordance with the aims and responsibilities of the organization. These services include: (a) support services to other United Nations organizations at the headquarters or country-office level; (b) support to programme activities financed from the regular budgets or trust funds of other United Nations organizations and agencies; (c) support services for national execution and the implementation of UNDP projects within the parameters established by the Board; and (d) development and management of activities funded by other resources.

116. To the extent that the above services involve additional costs for the organization, the Administrator has made the commitment that UNDP will continue to make adequate arrangements with the respective United Nations system entities, host Governments or provider of other resources, to be reimbursed accordingly. In this connection, a review of the cost-recovery practices regarding the above listed services was undertaken in 1998. Several sub-tasks of the review are still ongoing at the time of the preparation of the present document. These include a workload study at headquarters regarding services to programmes funded by other resources, to bring the distribution of other resources income among the respective units in line with the volume of work involved. However, a number of observations can already be made at this stage.

117. UNDP currently applies a combination of certain standard fees or fee ranges as well as flexible fees that are determined on a case-by-case basis according to real requirements. The Administrator believes that this flexibility is necessary and should be maintained, given the varying type and volume of services and arrangements dictating the services. In view of this variety, if the organization were to apply only one average fee structure, there would be excess payments in some areas that would subsidize underpayments in other areas. This situation may not serve the interests of the recipient of the services and is therefore not recommended at this stage.

118. UNDP is taking measures to ensure that current practices, principles and policies regarding cost-recovery are properly and fully applied by all country offices. These measures include a cost-recovery web-site, targeted training, and the issuance of cost-recovery guidelines. Together with these measures, UNDP is introducing more transparent methodologies on how to apply cost-recovery, which will facilitate more accurate reporting. Examples in this area include formats to describe the services provided, methodologies on how to calculate the costs involved, and adequate identification of reimbursements within budget systems.

119. As mentioned in paragraph 90, UNDP has initiated a consultation process with other United Nations entities to clarify cost-recovery arrangements regarding services to their programmes at the country-office level and to harmonize the implementation of agreed general principles. This process has been followed to ensure a fully transparent and fair cost-recovery mechanism, which will serve UNDP in its support to United Nations operational activities at the country level. These steps are also expected to contribute to higher efficiency in providing support services since the latter would become subject to increased transparency and quality control by the receiving organization.

120. Finally, transparent and efficient cost-recovery should be seen as a step towards a more common service approach within the United Nations system at the country-office level. Once services, their related costs and quality standards are more clearly defined, joint ownership may be an attractive option. UNDP is currently documenting its global experience with common services, which will also facilitate this process.

7. Estimated income to the budget

121. The contributions received from host Governments towards local office costs and the income UNV derives from providing volunteers to United Nations agencies, are covered under the sections: Programme support - country offices and Support to operational activities of the United Nations respectively.

122. The Administrator proposes to continue in the 2000-2001 biennial support budget an offset of biennial budget resources required to refund staff members for income taxes levied by Member States in respect of income derived from the organization. This presentation is on the basis that UNDP, as a voluntary fund, does not have a tax-equalization fund similar to that of the United Nations Secretariat. The amounts reimbursed by UNDP are thus a direct charge to the biennial budget and to the voluntary contributions as a whole, without any corresponding offset. The Administrator continues to believe that an accounting linkage with voluntary contributions of Member States that collect such income tax would allow for a more appropriate presentation of net biennial budget costs. Similar to the accounting linkage for programme countries under GLOC, a portion of the voluntary contributions of the countries concerned and equivalent to the amount of income taxes reimbursed would be shown as an income to the biennial budget. In this connection, an amount of $5.2 million was shown as income to the biennial support budget in the 1998 financial statements of UNDP; the Administrator estimates that for the 2000-2001 biennium the sum will be $11.0 million.

III. PROPOSALS FOR THE 2000-2001 BIENNIAL SUPPORT BUDGETS - FUNDS

A. General

123. UNDP includes distinct appropriations for the resources of the funds that it administers and which the Executive Board approves separately. Currently, the funds administered by UNDP are the United Nations Capital Development Fund, the United Nations Revolving Fund for Natural Resources Exploration, the Office to Combat Desertification and Drought and the United Nations Development Fund for Women. These funds receive contributions independently that cover both regular and other resources.

124. In this section, the Administrator presents his proposals for the biennial support budget of each of the funds. The budget estimates are presented in line with the harmonization of budgets as noted in paragraph 1, and follow the same terminology and methodology as the UNDP biennial support budget. For each of the funds a resource plan is provided that is basically similar to that of UNDP, covering programmes, programme support, and management and administration. Also included are their respective staffing and financial tables. In presenting the 2000-2001 biennial support budget proposals for the funds, the Administrator has taken into account their respective staffing and operating requirements.

B. United Nations Capital Development Fund

125. The budget proposals for UNCDF have been developed taking into account the recent donor-sponsored evaluation of UNCDF undertaken by the Information, Training and Agricultural Development Team. Bearing in mind that the aim of UNCDF is to become a centre of excellence in the planning and implementation of local governance and microfinance projects (as noted in document DP/1997/37), the Administrator wishes to bring to the attention of the Executive Board that UNCDF is constantly refining and upgrading the quality and implementation of its projects in response to lessons learned. Furthermore, technical assistance support, and monitoring and evaluation systems are being enhanced and expanded to support further an institutional development portfolio that is more knowledge-intensive.

126. Against this background, UNCDF has restructured its staffing with a view to achieving increased devolution of responsibilities to the programme officers in the country offices and increased technical expertise. This has resulted in the establishment of two new specialized divisions: the Division for Governance and the Division for Microfinance. The latter reflects a full integration of the Special Unit for Microfinance (SUM) into the structure of UNCDF, part of which was covered by BDP. This required the absorption of two senior international Professional posts and one at the local support staff level while still achieving an overall reduction of one international Professional post. This arrangement will be reviewed in two years. The new structure also features an independent unit for evaluation. The proposed distribution of posts for the 2000-2001 biennium is presented in summary table V (b). UNCDF believes that this new staffing structure is necessary to reach the goals established. Resultant costs are incorporated in summary table V (a). The increase over the 1998-1999 biennium is attributable to staffing changes and inflation.

127. The UNCDF resource plan for the period 1998-2001 is provided in table 12, which covers both regular and other resources. Income projection for the 1998-1999 biennium has

not been adjusted and UNCDF remains optimistic that a level of $87.5 million will be achieved. The income projection for the 2000-2001 biennium is estimated at $88.2 million, reflecting a modest increase of one per cent. UNCDF will, like UNDP, adopt a multi-year funding framework covering a four-year period.

Table 12. UNCDF resource plan
(millions of United States dollars)

	1998-1999						2000-2001					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance a/	106.6		5.0		111.6		97.3		3.9		101.2	
Income												
Contributions	75.0		0.0		75.0		72.0		3.0		75.0	
Other b/	12.5		0.0		12.5		13.2		0.0		13.2	
Total	194.1		5.0		199.1		182.5		6.9		189.4	
Use of Resources - Programme and Support Activities												
A. Programmes	81.5	84.2	1.0	90.9	82.5	84.3	88.0	85.3	4.0	97.6	92.0	85.7
B. Programme support												
1. Country offices	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.6	0.6
2. Headquarters	7.8	8.0	0.0	0.0	7.8	8.0	7.1	6.8	0.0	0.0	7.1	6.6
Subtotal	7.8	8.0	0.0	0.0	7.8	8.0	7.7	7.4	0.0	0.0	7.7	7.2
3. Agencies	2.5	2.6	0.1	9.1	2.6	2.6	1.6	1.6	0.1	2.4	1.7	1.6
Total programme support	10.3	10.6	0.1	9.1	10.4	10.6	9.3	8.9	0.1	2.4	9.4	8.8
C. Management and administration	5.0	5.2	0.0	0.0	5.0	5.1	5.9	5.7	0.0	0.0	5.9	5.5
TOTAL	96.8	100.0	1.1	100.0	97.9	100.0	103.2	99.9	4.1	100.0	107.3	100.0
Closing balance	97.3		3.9		101.2		79.3		2.8		82.1	
Biennial support budget												
TOTAL GROSS/NET BUDGET ESTIMATES c/	12.8		0.0		12.8		13.6		0.0		13.6	

a/ Includes the amounts of the required operational reserve of $45 million in 1998-1999 and $43.7 million in 2000-2001; the opening balance 2000-2001 reflects the updated 1998-1999 resource picture for UNCDF which remains unchanged from previous projections.

b/ Includes interest and miscellaneous income.

c/ Includes items B.1, B.2 and C.

C. United Nations Revolving Fund for Natural Resources Exploration

128. During the 1998-1999 biennium, UNRFNRE continued to pursue its reoriented programme, which focused on activities in the mineral sector linked closely to sustainable livelihoods, food security and environmental protection. This approach responds to UNDP corporate goals and is consistent with UNRFNRE being placed in the Sustainable Energy and Environment Division (SEED).

129. The UNRFNRE resource plan for the period 2000-2001 is provided in table 13, which covers both regular and other resources. While no change is made to the original income and expenditure projections provided in the context of 1998-1999 budget, total income for the period is now estimated at $2.1 million with a corresponding level of total expenditures. Given the expected drastic reduction in donor contributions, the staffing level for UNRFNRE will be reduced by one international Professional post in mid-1999, resulting in one international Professional and one local support staff post during the 2000-2001 biennium, as reflected in summary table VI.

Table 13. UNRFNRE resource plan
(millions of United States dollars)

Resources available	1998-1999 Regular resources $	%	Other resources $	%	Total resources $	%	2000-2001 Regular resources $	%	Other resources $	%	Total resources $	%
Opening balance a/	3.1		0.0		3.1		3.1		0.4		3.5	
Income												
Contributions	4.0		0.4		4.4		0.1		0.0		0.1	
Other b/	0.4		0.0		0.4		0.2		0.0		0.2	
Total	7.5		0.4		7.9		3.4		0.4		3.8	
Use of Resources - Programme and Support Activities												
A. Programmes	2.9	65.9	0.0		2.9	65.9	1.4	67.3	0.0		1.4	67.3
B. Programme support												
1. Headquarters	0.5	11.4	0.0		0.5	11.4	0.6	28.0	0.0		0.6	28.0
2. Agencies	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0		0.0	0.0
Total programme support	0.5	11.4	0.0		0.5	11.4	0.6	28.0	0.0		0.6	28.0
C. Management and administration	1.0	22.7	0.0		1.0	22.7	0.1	4.7	0.0		0.1	4.7
TOTAL	4.4	100.0	0.0		4.4	100.0	2.1	100.0	0.0		2.1	100.0
Closing balance	3.1		0.4		3.5		1.3		0.4		1.7	
Biennial support budget												
TOTAL GROSS/NET BUDGET ESTIMA	1.5		0.0		1.5		0.7		0.0		0.7	

a/ The opening balance 2000-2001 reflects the updated 1998-1999 resource picture for UNRFNRE (income $2.1 million and expenditures $2.1 mil
b/ Includes interest and miscellaneous income
c/ Includes items B.1 and C

D. United Nations Development Fund for Women

130. The UNIFEM Strategy and Business Plan for the years 1997-1999 was submitted to the Executive Board in Document DP/1997/18. The revised Strategy and Business Plan for the years 2000-2003 is nearing finalization and will be submitted to the Executive Board at its first regular session in 2000. The 2000-2001 biennial support budget proposal is consistent with the first two years of the proposed plan.

131. The resource plan for the period 1998-2001 as provided in table 14 incorporates the income targets for the years 2000-2001 contained in the Strategy and Business Plan. It also reflects the UNIFEM strategy to strive to maintain an approximate ratio of two to one between activities financed from regular resources and other resources, respectively. Projected expenditures are in line with the income projections. The UNIFEM 1997-1999 and 2000-2003 Strategy and Business Plans are in line with the overall thrust of the MYFF. UNIFEM has developed its internal mechanisms to build its capacity to monitor and assess results and has started reporting on results.

132. The proposed allocation of posts is presented in summary table VII (b). No change in overall posts from the 1998-1999 biennium is envisaged under regular resources. Some realignment of functions within the existing staffing will be undertaken. Under other resources, it is envisaged that one additional thematic advisor at the Professional level will be required.

133. The 2000-2001 proposed biennial support budget is presented in summary table VII (a). Apart from adjustments for costs, there is an increase in the level of reimbursement to UNDP, formalizing the working relationship of the programme finance and information management groups as outposted finance officers and an information management assistant to UNIFEM.

Table 14. UNIFEM resource table
(millions of United States dollars)

	1998-1999						2000-2001					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance a/	9.3		6.6		15.9		8.7		7.9		16.6	
Income												
Contributions	45.7		22.8		68.5		43.0		16.7		59.7	
Other b/	0.0		0.0		0.0		3.2		2.4		5.6	
Total	55.0		29.4		84.4		54.9		27.0		81.9	
Use of Resources - Programme and Support Activities												
A. Programmes	32.3	75.1	19.8	92.5	52.1	80.9	36.5	75.9	24.2	92.7	60.7	81.8
B. Programme support												
1. Headquarters	6.0	14.0	1.6	7.5	7.6	11.8	6.1	12.7	1.9	7.3	8.0	10.8
2. Agencies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total programme support	6.0	14.0	1.6	7.5	7.6	11.8	6.1	12.7	1.9	7.3	8.0	10.8
C. Management and administration	4.7	10.9	0.0	0.0	4.7	7.3	5.5	11.4	0.0	0.0	5.5	7.4
TOTAL	43.0	100.0	21.4	100.0	64.4	100.0	48.1	100.0	26.1	100.0	74.2	100.0
Closing balance	12.0		8.0		20.0		6.8		0.9		7.7	
Biennial support budget												
TOTAL GROSS/NET BUDGET ESTIMATES c/	10.7		1.6		12.3		11.6		1.9		13.5	

a/ Includes the amounts of the required operational reserve of $3.5 million in 1998-1999 and $ 6.1 million in 2000-2001; the opening balance 2000-2001 reflects the updat
1998-1999 resource picture for UNIFEM: Income $40.5 million and expenditures $35.3 million.
b/ Includes interest and miscellaneous income.
c/ Includes items B.1 and C.

E. Office to Combat Desertification and Drought

134. The 2000-2001 budget proposals of UNSO have been developed taking full account of the report made in document DP/1999/4. During 1998-1999, UNSO has continued to implement its role as an integral part of the Sustainable Energy and Environment Division within BDP.

135. UNSO has continued to backstop a sizeable project portfolio of field projects amounting to some $19.0 million, nearly all of which will be completed in the next two years. In the context of support for implementation of the Convention to Combat Desertification and Drought, UNSO has mobilized close to $15.0 million and has provided direct financial and technical support to 49 countries globally in the preparation of their national action programmes to combat desertification and drought. This has constituted a very large proportion of the approximately 70 UNDP programme countries that are affected by land degradation associated with desertification and drought. Assistance has also been provided to the preparation of subregional action programmes to combat desertification and drought.

136. The challenge for the 2000-2001 biennium will be to assist countries to make their national action programmes operational by incorporating them into overall national development plans and by helping to secure financial resources. Assistance will also be given to the implementation of selected activities within subregional action programmes. UNSO will work to assist UNDP country offices to mainstream desertification issues into national development programmes and will provide technical and policy support. The result will be that the initial catalytic phase of UNSO will shift to a consolidation phase with emphasis on programme development and implementation. Support to the work of the Global Mechanism established under the CCD to promote resource mobilization will also continue.

137. There was a significant shortfall between the projected resource flow and what was actually received as contributions for the 1998-1999 biennium. This has been attributed to several factors, including the need to clarify the respective roles of the various bodies/institutions in the CCD implementation process, expectations of greater mainstreaming of UNSO activities within UNDP and the slow take-off of the national action programme process in affected developing countries. Taking these factors into account and based on the new UNSO focus on programme development, mainstreaming dry-land development within UNDP priorities, and strengthening policy support and knowledge of dry-land development, a more modest projection of resources is made for the 2000-2001 biennium.

138. In line with the UNDP reform processes, UNSO will strive to redeploy posts to subregions of the world. This is being done in close collaboration with regional bureaux and, where possible, in collaboration with other SEED units. UNSO will build its links with the Capacity 21 programme of UNDP in order to share networks of advisers and institutions. UNSO has two long-standing regional management projects in Africa. Steps will be taken to strengthen these projects through the mobilization of other resources. UNSO has entered into negotiations with the Regional Bureau for Europe and the Commonwealth of Independent States to place a manager in the region, co-funded by the Bureau and Capacity 21. Similarly, Capacity 21 and UNSO have entered into discussions with the Regional Bureau for Asia and the Pacific to establish staff presence in that region. Funds have been secured to launch a significant programme in the Arab States region and the best decentralized means of managing this programme will be sought.

139. UNSO will not make significant reductions in Professional or General Service posts at this time, bearing in mind the severe cuts of previous years. It is expected that as demand for support to the implementation of national action programmes increases, the demand for UNSO support will grow commensurately. As noted above, proper attention will be paid to the best location of each post and it is expected that during the next biennium there will be a marked shift in balance between the regional and central management of UNSO.

140. In view of the new mainstreamed role of UNSO, the Administrator proposes to maintain the provision of $1 million from UNDP global programme resources for institutional support. Resource mobilization will remain vital for the long-term ability of UNSO to continue to support countries affected by desertification and drought.

141. The new mandate of UNSO, involving its transition from a unit that focused on 22 Sudano-Sahelian countries to one with a global mandate, has presented a number of challenges in fund management. The details regarding the consolidation of the trust fund established under the previous mandate and the new trust fund are being worked out with the United Nations Office of Legal Affairs. For resource planning purposes, table 15 shows combined figures for the two trust funds since their resources are all used to support CCD implementation activities. They are therefore reflected as other resources, effective 2000-2001, and presented for information only.

Table 15. UNSO resource plan
(millions of United States dollars)

	1998-1999						2000-2001					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	$	%	$	%	$	%	$	%	$	%	$	%
Resources available												
Opening balance a/	0.0		23.0		23.0		0.0		15.1		15.1	
Income												
Contributions	0.0		39.0		39.0		0.0		16.0		16.0	
Other b/	0.0		1.4		1.4		0.0		1.1		1.1	
Total	0.0		63.4		63.4		0.0		32.2		32.2	
Use of Resources - Programme and Support Activities												
A. Programmes	0.0	0.0	39.8	84.7	39.8	84.7	0.0	0.0	15.4	72.0	15.4	72.0
B. Programme support												
1. Headquarters	0.0	0.0	3.5	7.4	3.5	7.4	0.0	0.0	3.9	18.2	3.9	18.2
2. Agencies	0.0	0.0	0.4	0.9	0.4	0.9	0.0	0.0	0.0	0.0	0.0	0.0
Total programme support	0.0	0.0	3.9	8.3	3.9	8.3	0.0	0.0	3.9	18.2	3.9	18.2
C. Management and administration	0.0	0.0	3.3	7.0	3.3	7.0	0.0	0.0	2.1	9.8	2.1	9.8
TOTAL	0.0	0.0	47.0	100.0	47.0	100.0	0.0	0.0	21.4	100.0	21.4	100.0
Closing balance	0.0		16.4		16.4		0.0		10.8		10.8	
Biennial support budget												
TOTAL GROSS/NET BUDGET ESTIMATES c/	0.0		6.8		6.8		0.0		6.0		6.0	

a/ These figures represent the commitment resources from the United Nations Sudano-Sahelian Office and the Office to Combat Desertification and Drought. Opening balances to be updated accordingly: for 2000-2001 the balance reflects the updated 1998-1999 resource picture: income $12.5 million and expenditures $20.8 million.
b/ Includes interest and miscellaneous income.
c/ Includes items B.1 and C.

IV. DRAFT APPROPRIATION DECISION - UNDP

142. The Executive Board may wish to adopt the following decision:

The Executive Board

1. Takes note of the report of the Administrator on the biennial support budget estimates for the biennium 2000-2001 as contained in document DP/1999/31 ;

2. Takes note of the proposals of the Administrator as contained in paragraphs 38 to 47 on post resources allocated to country offices by region;

3. Approves the proposal by the Administrator as contained in paragraphs 48 to 55 of document DP/1999/31 on contributions towards office costs;

4. Approves the proposal by the Administrator as contained in paragraphs 112 and 113 of document DP/1999/31 on the United Nations House programme;

5. Takes note of the report of the Administrator on the current status of cost-recovery practices as contained in paragraphs 114 to 120 of document DP/1999/31 and endorses the steps being taken by the Administrator to ensure that the additional cost to the organization for support services provided are reimbursed;

6. Approves the proposal by the Administrator as contained in paragraphs 105 to 111 of DP/1999/31 on the establishment of a separation reserve and a transitional reserve;

7. Approves gross appropriations in the amount of $585,371,600 for the purposes indicated below and resolves that the income estimates of $67,127,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of $518,244,600:

2000-2001 biennial support budget
(thousands of United States dollars)

Programme support:		
Country offices		272 341.9
Headquarters		59 694.5
	Subtotal	332 036.4
Management and administration		117 193.6
Support to operational activities of the United Nations:		
Country offices		100 729.2
United Nations Development Group Office		2 583.1
Inter-Agency Procurement Services Office		3 601.1
United Nations Volunteers		29 228.2
	Subtotal	136 141.6
Total gross appropriation		585 371.6
less Estimated income		67 127.0
Estimated net appropriations		518 244.6

8. Authorizes the Administrator to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation line to which the resources are redeployed;

V. DRAFT APPROPRIATION DECISION - FUNDS

143. The Executive Board may wish to adopt the following decision:

The Executive Board

1. Takes note of the report of the Administrator on the biennial support budget estimates for the biennium 2000-2001 for the United Nations Capital Development Fund, the United Nations Revolving Fund for Natural Resources Exploration, and the United Nations Development Fund for Women, as contained in document DP/1999/31;

2. Approves gross appropriations for each of the funds as follows:

2000-2001 biennial support budgets
(thousands of United States dollars)

	UNCDF	UNRFNRE	UNIFEM
Total appropriations:	13 594.0	740.1	11 612.1

SUMMARY TABLES

Summary table I. Proposed gross budget estimates by organizational unit within appropriation line and estimated income to the budget, 2000-2001

(thousands of United States dollars)

APPROPRIATION LINE/ ORGANIZATIONAL UNIT	1998-1999 APPROVED APPROPRIATION	VOLUME AMOUNT	VOLUME %	COST	2000-2001 ESTIMATES
A PROGRAMME SUPPORT					
1 Country offices					
Africa	97 270.6	(1 841.5)	(1.9)	500.2	95 929.2
Arab States	32 729.6	(2 095.1)	(6.4)	(96.6)	30 537.8
Asia and the Pacific	53 724.2	(2 599.1)	(4.8)	(959.2)	50 165.9
Latin America and the Caribbean	42 818.0	(3 695.6)	(8.6)	1 683.8	40 806.3
Europe and the Commonwealth of Independent States	25 856.8	169.3	0.7	3 562.8	29 588.9
Country offices - Central	19 176.7	1 688.4	8.8	4 448.7	25 313.8
Subtotal programme support / country offices	271 575.8	(8 373.6)	(3.1)	9 139.7	272 342.0
2 Headquarters					
Operations Support Group	4 338.7	(826.7)	(19.1)	(130.7)	3 381.3
Emergency Response Division	1 278.4	(11.9)	(0.9)	629.4	1 895.9
Regional Bureau for Africa	12 374.7	(514.7)	(4.2)	(115.5)	11 744.5
Regional Bureau for Arab States	4 864.1	(59.4)	(1.2)	(343.9)	4 460.8
Regional Bureau for Asia and the Pacific	7 350.2	(186.9)	(2.5)	(117.7)	7 045.6
Regional Bureau for Latin America and the Caribbean	4 769.6	(501.4)	(10.5)	(97.5)	4 170.7
Regional Bureau for Europe and the Commonwealth of Independent States	4 246.4	(26.7)	(0.6)	126.9	4 346.7
Bureau for Development Policy	15 480.9	(2 122.5)	(13.7)	(1 236.1)	12 122.3
Special Unit for TCDC	3 372.8	(152.0)	(4.5)	423.1	3 643.9
Headquarters - Central	5 909.6	(232.9)	(3.9)	1 206.1	6 882.7
Subtotal programme support / headquarters	63 985.4	(4 635.0)	(7.2)	344.1	59 694.4
Total programme support	335 561.2	(13 008.6)	(3.9)	9 483.8	332 036.4
B MANAGEMENT AND ADMINISTRATION					
Office of Administrator/Associate Administrator	5 431.1	(326.0)	(6.0)	(504.8)	4 600.4
Evaluation Office	2 937.6	(304.7)	(10.4)	94.7	2 727.6
Office of Audit and Performance Review - Headquarters	4 528.8	(700.3)	(15.5)	(64.4)	3 764.1
Office of Audit and Performance Review - Country offices	7 476.1	(806.4)	(10.8)	441.9	7 111.6
Bureau for Resource Mobilization and External Affairs	26 162.4	(2 716.5)	(10.4)	553.2	23 999.1
Bureau for Planning and Resource Management	21 116.4	(2 603.0)	(12.3)	1 383.2	19 896.6
Bureau for Financial and Administrative Services	21 284.7	(2 153.3)	(10.1)	968.7	20 100.0
Headquarters - Central	27 082.3	(1 296.0)	(4.8)	2 774.7	28 561.0
Country offices - Central	4 520.2	1 500.0	33.2	413.1	6 433.3
Total management and administration	120 539.6	(9 406.3)	(7.8)	6 060.3	117 193.6
C SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS					
Country offices	97 605.7	(256.9)	(0.3)	3 380.4	100 729.2
United Nations Development Group Office	2 614.0	(117.5)	(4.5)	86.6	2 583.1
Inter-Agency Procurement Services Office	3 896.6	(266.4)	(6.8)	(29.1)	3 601.1
United Nations Volunteers	30 376.4	(1 389.6)	(4.6)	241.4	29 228.2
Total support to operational activities of the United Nations	134 492.7	(2 030.4)	(1.5)	3 679.3	136 141.6
GROSS RESOURCES	590 593.5	(24 445.3)	(4.1)	19 223.4	585 371.6
ESTIMATED INCOME	(72 127.0)	5 000.0	(6.9)		(67 127.0)
NET RESOURCES	518 466.5	(19 445.3)	(3.8)	19 223.4	518 244.6

Summary table II. Proposed gross budget estimates by expenditure category within appropriation line, 2000-2001
(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	1998-1999 APPROVED APPROPRIATION	VOLUME AMOUNT	VOLUME %	COST	2000 - 2001 ESTIMATES
A. PROGRAMME SUPPORT					
1. Country offices					
Posts	191 891.6	(1 074.5)		7 205.9	198 023.0
Other staff cost	3 847.8	242.1		256.7	4 346.6
Consultants	803.4	(314.7)		16.1	504.8
Travel	6 503.3	61.9		(437.9)	6 127.2
Operating expenses	48 521.9	244.2		1 600.9	50 367.1
Furniture and equipment	11 861.0	395.3		487.8	12 744.1
Reimbursements/contributions	468.0	(249.0)		10.2	229.2
Development support services	7 678.9	(7 678.9)		0.0	0.0
Subtotal programme support / country offices	271 575.8	(8 373.6)	(3.1)	9 139.7	272 342.0
2. Headquarters					
Posts	50 594.6	(3 821.2)		(246.7)	46 626.7
Other staff costs	579.5	(29.0)		25.8	576.3
Consultants	1 311.0	(221.0)		50.8	1 140.8
Travel	2 992.1	(207.0)		130.4	2 915.4
Operating expenses	7 039.1	(307.9)		319.6	7 050.9
Furniture and equipment	1 369.1	(48.9)		64.1	1 384.3
Reimbursements/contributions	0.0	0.0		0.0	0.0
Subtotal programme support / headquarters	63 985.4	(4 635.0)	(7.2)	344.1	59 694.4
B. MANAGEMENT AND ADMINISTRATION					
Posts	65 968.7	(3 955.2)		3 787.9	65 801.4
Other staff cost	3 349.5	(927.0)		113.2	2 535.6
Consultants	2 993.9	683.5		152.1	3 829.4
Travel	3 372.6	(439.7)		121.7	3 054.6
Operating expenses	31 796.9	(3 809.5)		1 320.5	29 307.9
Furniture and equipment	2 254.3	(569.4)		80.9	1 765.8
Reimbursements/contributions	10 803.7	(388.9)		484.1	10 898.9
Subtotal management and administration	120 539.6	(9 406.3)	(7.8)	6 060.3	117 193.6
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS					
Posts	95 262.8	(1 533.3)		2 893.0	96 622.5
Other staff costs	1 783.6	89.6		96.3	1 969.5
Consultants	1 564.6	60.4		12.9	1 637.9
Travel	3 466.3	(48.3)		(201.7)	3 216.3
Operating expenses	23 160.4	95.6		503.0	23 759.0
Furniture and equipment	5 374.7	146.2		214.4	5 735.4
Reimbursements/contributions	3 880.2	(840.6)		161.4	3 201.0
Subtotal support to operational activities of the United Nations	134 492.7	(2 030.4)	(1.5)	3 679.3	136 141.6
TOTAL					
Posts	403 817.7	(10 384.2)	(2.6)	13 640.1	407 073.6
Other staff cost	9 560.4	(624.4)	(6.5)	492.0	9 428.0
Consultants	6 672.9	208.2	3.1	231.9	7 113.0
Travel	16 334.3	(633.1)	(3.9)	(387.6)	15 313.6
Operating expenses	110 518.3	(3 777.6)	(3.4)	3 744.1	110 484.8
Furniture and equipment	20 859.1	(76.8)	(0.4)	847.3	21 629.6
Reimbursements/contributions	15 151.9	(1 478.5)	(9.8)	655.6	14 329.1
Development support services	7 678.9	(7 678.9)	(100.0)	0.0	0.0
TOTAL GROSS APPROPRIATIONS	590 593.5	(24 445.3)	(4.1)	19 223.4	585 371.6
ESTIMATED INCOME	(72 127.0)	5 000.0	(6.9)		(67 127.0)
NET RESOURCES	518 466.5	(19 445.3)	(11.1)	19 223.4	518 244.6

Summary table III. Estimated distribution of posts by source of funds and organizational unit, 2000-2001

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat Prof	GS and other categ	Grand total
A Programme support											
1 Country offices											
Africa											
1998-1999											
Regular resources	-	11	30	39	33	10	2	125	212	1006	1343
Other resources relating to programme	-	-	-	-	-	-	-	-	33	125	158
Total	-	11	30	39	33	10	2	125	245	1131	1501
2000-2001											
Regular resources	-	11	30	41	33	9	2	126	214	1026	1366
Other resources relating to programme	-	-	-	-	1	1	-	2	34	156	192
Total	-	11	30	41	34	10	2	128	248	1182	1558
Arab States											
1998-1999											
Regular resources	-	4	10	12	6	4	-	36	52	246	334
Other resources relating to programme	-	-	-	-	-	-	-	-	5	129	134
Total	-	4	10	12	6	4	-	36	57	375	468
2000-2001											
Regular resources	-	4	10	12	7	4	-	37	47	217	301
Other resources relating to programme	-	-	-	-	-	-	-	-	12	162	174
Total	-	4	10	12	7	4	-	37	59	379	475
Asia and the Pacific											
1998-1999											
Regular resources	-	10	12	24	23	8	-	77	129	600	806
Other resources relating to programme	-	-	-	-	2	1	1	4	14	85	103
Total	-	10	12	24	25	9	1	81	143	685	909
2000-2001											
Regular resources	-	10	12	26	22	7	-	77	119	572	768
Other resources relating to programme	-	-	-	-	1	1	-	2	35	134	171
Total	-	10	12	26	23	8	-	79	154	706	939
Latin America and the Caribbean											
1998-1999											
Regular resources	-	3	15	16	11	2	-	47	64	297	408
Other resources relating to programme	-	-	-	-	-	2	-	2	44	288	334
Total	-	3	15	16	11	4	-	49	108	585	742
2000-2001											
Regular resources	-	3	15	15	8	1	-	42	58	279	379
Other resources relating to programme	-	-	-	-	2	1	-	3	71	297	371
Total	-	3	15	15	10	2	-	45	129	576	750
Europe and the Commonwealth of Independent States											
1998-1999											
Regular resources	-	1	13	9	17	-	-	40	61	281	382
Other resources relating to programme	-	-	-	-	-	-	-	-	3	25	28
Total	-	1	13	9	17	-	-	40	64	306	410
2000-2001											
Regular resources	-	1	14	10	17	-	-	42	69	302	413
Other resources relating to programme	-	-	-	-	-	-	-	-	5	38	43
Total	-	1	14	10	17	-	-	42	74	340	456
Country offices - Central											
1998-1999											
Regular resources	-	-	8	23	14	9	3	57	18	1	76
Other resources relating to programme	-	-	1	1	1	1	1	5	14	54	73
Total	-	-	9	24	15	10	4	62	32	55	149
2000-2001											
Regular resources	-	-	8	24	14	9	3	58	32	44	134
Other resources relating to programme	-	-	-	2	-	1		3	14	54	71
Total	-	-	8	26	14	10	3	61	46	98	205
Total A.1 Programme support - Country offices											
1998-1999											
Regular resources	-	29	88	123	104	33	5	382	536	2431	3349
Other resources relating to programme	-	-	1	1	3	4	2	11	113	706	830
Total - A.1	-	29	89	124	107	37	7	393	649	3137	4179
2000-2001											
Regular resources	-	29	89	128	101	30	5	382	539	2440	3361
Other resources relating to programme	-	-	-	2	4	4	-	10	171	841	1022
Total - A.1	-	29	89	130	105	34	5	392	710	3281	4383

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat Prof	GS and other categ	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
2 Headquarters											
Operations Support Group											
1998-1999											
Regular resources	-	1	2	4	1	-	-	8	-	7	15
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	2	4	1	-	-	8	-	7	15
2000-2001											
Regular resources	-	1	1	4	-	-	-	6	-	6	12
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	4	-	-	-	6	-	6	12
Emergency Response Division											
1998-1999											
Regular resources	-	1	-	2	-	-	-	3	-	3	6
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	1	1
Total	-	1	-	2	-	-	-	3	-	4	7
2000-2001											
Regular resources	-	1	2	-	-	-	-	3	-	3	6
Other resources relating to programme	-	-	-	2	-	3		5	-	-	5
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	1	1
Total	-	1	2	2	-	3	-	8	-	4	12
Regional Bureau for Africa											
1998-1999											
Regular resources	1	2	5	8	4	-	-	20	-	21	41
Other resources relating to programme	-	-	-	1	1	-	-	2	-	1	3
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	2	5	9	5	-	-	22	-	22	44
2000-2001											
Regular resources	1	2	5	8	3	-	-	19	-	20	39
Other resources relating to programme	-	-	-	1	2	-	-	3	-	2	5
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	2	5	9	5	-	-	22	-	22	44
Regional Bureau fro Arab States											
1998-1999											
Regular resources	1	1	2	2	1	-	-	7	-	8	15
Other resources relating to programme	-	-	-	-	1	1	-	2	-	3	5
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	2	2	1	-	9	-	11	20
2000-2001											
Regular resources	1	1	2	2	1	-	-	7	-	8	15
Other resources relating to programme	-	-	-	-	2	-	-	2	-	2	4
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	2	3	-	-	9	-	10	19
Regional Bureau for Asia and the Pacific											
1998-1999											
Regular resources	1	1	2	3	4	1	-	12	-	13	25
Other resources relating to programme	-	-	-	-	-	-	-	-	-	2	2
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	3	4	1	-	12	-	15	27
2000-2001											
Regular resources	1	1	2	3	4	1	-	12	-	12	24
Other resources relating to programme	-	-	-	-	-	1	1	2	-	2	4
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	3	4	2	1	14	-	14	28

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat. Prof.	GS and other categ.	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Regional Bureau for Latin America and the Caribbean											
1998-1999											
Regular resources	1	1	2	2	-	2	-	8	-	8	16
Other resources relating to programme	-	-	-	-	2	3	-	5	-	3	8
Other resources relating to reimbursement	-	-	-	2	-	-	-	2	-	-	2
Total	1	1	2	4	2	5	-	15	-	11	26
2000-2001											
Regular resources	1	1	2	1	-	2	-	7	-	7	14
Other resources relating to programme	-	-	1	-	2	2	-	5	-	6	11
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	3	1	2	4	-	12	-	13	25
Regional Bureau for Europe and the Commonwealth of Independent States											
1998-1999											
Regular resources	1	1	2	2	2	-	-	8	-	8	16
Other resources relating to programme	-	-	-	1	-	-	-	1	-	1	2
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	3	2	-	-	9	-	9	18
2000-2001											
Regular resources	1	1	2	2	2	-	-	8	-	8	16
Other resources relating to programme	-	-	-	1	-	-	-	1	-	2	3
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	3	2	-	-	9	-	10	19
Bureau for Development Policy											
1998-1999											
Regular resources	1	4	10	4	4	-	-	23	-	17	40
Other resources relating to programme	-	1	6	11	6	4	-	28	-	22	50
Other resources relating to reimbursement	-	-	-	-	-	1	1	2	-	1	3
Total	1	5	16	15	10	5	1	53	-	40	93
2000-2001											
Regular resources	1	4	6	3	4	-	-	18	-	17	35
Other resources relating to programme	-	1	5	13	6	3	-	28	-	19	47
Other resources relating to reimbursement	-	-	-	-	1	-	1	2	-	1	3
Total	1	5	11	16	11	3	1	48	-	37	85
Special Unit for TCDC											
1998-1999											
Regular resources	-	1	1	-	5	-	-	7	-	8	15
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	-	5	-	-	7	-	8	15
2000-2001											
Regular resources	-	1	1	1	4	-	-	7	-	7	14
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	4	-	-	7	-	7	14
Total: A.2 Programme support - Headquarters											
1998-1999											
Regular resources	6	13	26	27	21	3	-	96	-	93	189
Other resources relating to programme	-	1	6	13	10	8	-	38	-	32	70
Other resources relating to reimbursement	-	-	-	2	-	1	1	4	-	2	6
Total - A.2	6	14	32	42	31	12	1	138	-	127	265
2000-2001											
Regular resources	6	13	23	24	18	3	-	87	-	88	175
Other resources relating to programme	-	1	6	17	12	9	1	46	-	33	79
Other resources relating to reimbursement	-	-	-	-	1	-	1	2	-	2	4
Total - A.2	6	14	29	41	31	12	2	135	-	123	258

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat Prof	GS and other categ	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Total A Programme support											
1998-1999											
Regular resources	6	42	114	150	125	36	5	478	536	2524	3538
Other resources relating to programme	-	1	7	14	13	12	2	49	113	738	900
Other resources relating to reimbursement	-	-	-	2	-	1	1	4	-	2	6
Total - A	6	43	121	166	138	49	8	531	649	3264	4444
2000-2001											
Regular resources	6	42	112	152	119	33	5	469	539	2528	3536
Other resources relating to programme	-	1	6	19	16	13	1	56	171	874	1101
Other resources relating to reimbursement	-	-	-	-	1	-	1	2	-	2	4
Total - A	6	43	118	171	136	46	7	527	710	3404	4641
B Management and Administration											
Office of the Administrator/Associate Administrator											
1998-1999											
Regular resources	2	-	1	2	-	-	-	5	-	8	13
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	1	1	1	3	-	2	5
Total	2	-	1	2	1	1	1	8	-	10	18
2000-2001											
Regular resources	2	-	2	1	-	-	-	5	-	8	13
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	1	2	-	3	-	3	6
Total	2	-	2	1	1	2	-	8	-	11	19
Evaluation Office											
1998-1999											
Regular resources	-	1	1	3	-	-	-	5	-	4	9
Other resources relating to programme	-	-	-	-	-	1	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	3	-	1	-	6	-	4	10
2000-2001											
Regular resources	-	1	1	3	-	-	-	5	-	3	8
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	3	-	-	-	5	-	3	8
Office of Audit and Performance Review - Headquarters											
1998-1999											
Regular resources	-	1	-	2	5	-	-	8	-	6	14
Other resources relating to programme	-	-	-	1	-	-	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	4	3	-	1	8	-	5	13
Total	-	1	-	7	8	-	1	17	-	11	28
2000-2001											
Regular resources	-	1	-	1	4	-	-	6	-	6	12
Other resources relating to programme	-	-	-	1	-	-	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	3	4	2	1	10	-	5	15
Total	-	1	-	5	8	2	1	17	-	11	28
Office of Audit and Performance Review - Country offices											
1998-1999											
Regular resources	-	-	-	5	-	-	-	5	7	4	16
Other resources relating to programme	-	-	-	-	1	-	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	-	4	-	-	4	3	2	9
Total	-	-	-	5	5	-	-	10	10	6	26
2000-2001											
Regular resources	-	-	-	5	1	-	-	6	7	4	17
Other resources relating to programme	-	-	-	-	-	-	-	-	1	-	1
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	5	1	-	-	6	8	4	18

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat Prof	GS and other categ	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Bureau for Resource Mobilization and External Affairs											
1998-1999											
Regular resources	-	3	6	9	9	-	-	27	-	36	63
Other resources relating to programme	-	-	-	1	-	2	-	3	-	5	8
Other resources relating to reimbursement	-	-	-	-	1	-	1	2	-	3	5
Total	-	3	6	10	10	2	1	32	-	44	76
2000-2001											
Regular resources	-	3	6	11	7	-	1	28	-	32	60
Other resources relating to programme	-	-	1	-	2	-	-	3	-	5	8
Other resources relating to reimbursement	-	-	-	-	1	1	-	2	-	2	4
Total	-	3	7	11	10	1	1	33	-	39	72
Bureau for Planning and Resource Management											
1998-1999											
Regular resources	1	2	7	10	5	2	1	28	-	61	89
Other resources relating to programme	-	-	-	1	1	-	-	2	-	4	6
Other resources relating to reimbursement	-	-	-	5	9	5	1	20	-	28	48
Total	1	2	7	16	15	7	2	50	-	93	143
2000-2001											
Regular resources	1	3	7	8	4	2	-	25	-	51	76
Other resources relating to programme	-	-	-	1	1	-	-	2	-	4	6
Other resources relating to reimbursement	-	-	-	5	11	5	1	22	-	35	57
Total	1	3	7	14	16	7	1	49	-	90	139
Bureau for Financial and Administrative Services											
1998-1999											
Regular resources	-	2	5	6	7	4	-	24	-	69	93
Other resources relating to programme	-	-	-	-	-	-	-	-	-	7	7
Other resources relating to reimbursement	-	-	-	2	6	11	7	26	-	40	66
Total	-	2	5	8	13	15	7	50	-	116	166
2000-2001											
Regular resources	-	1	5	7	6	3	-	22	-	67	89
Other resources relating to programme	-	-	-	-	1	-	-	1	-	7	8
Other resources relating to reimbursement	-	-	-	2	5	11	3	21	-	41	62
Total	-	1	5	9	12	14	3	44	-	115	159
Headquarters - Central											
1998-1999											
Regular resources	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
2000-2001											
Regular resources	-	-	1	-	-	-	-	1	-	2	3
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	1	-	-	-	-	1	-	2	3
Country offices – Central											
1998-1999											
Regular resources	-	-	-	1	1	-	-	2	-	1	3
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	1	1	-	-	2	-	1	3
2000-2001											
Regular resources	-	-	-	1	1	-	-	2	-	1	3
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	1	1	-	-	2	-	1	3
Total B Management and Administration											
1998-1999											
Regular resources	3	9	20	38	27	6	1	104	7	189	300
Other resources relating to programme	-	-	-	3	2	3	-	8	-	16	24
Other resources relating to reimbursement	-	-	-	11	24	17	11	63	3	80	146
Total - B	3	9	20	52	53	26	12	175	10	285	470
2000-2001											
Regular resources	3	9	22	37	23	5	1	100	7	174	281
Other resources relating to programme	-	-	1	2	4	-	-	7	1	16	24
Other resources relating to reimbursement	-	-	-	10	22	21	5	58	-	86	144
Total - B	3	9	23	49	49	26	6	165	8	276	449

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat Prof	GS and other categ	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total			
C Support to operational activities of the United Nations											
United Nations Development Group Office											
1998-1999											
Regular resources	-	1	1	1	-	1	-	4	-	7	11
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	-	1	-	4	-	7	11
2000-2001											
Regular resources	-	1	1	1	-	1	-	4	-	6	10
Other resources relating to programme	-	-	-	-	-	1	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	-	2	-	5	-	6	11
Inter-Agency Procurement Services Office											
1998-1999											
Regular resources	-	-	1	1	1	-	-	3	-	4	7
Other resources relating to programme	-	1	-	-	1	4	-	6	-	31	37
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	2	4	-	9	-	35	44
2000-2001											
Regular resources	-	-	1	1	1	-	-	3	-	4	7
Other resources relating to programme	-	-	1	2	2	1	-	6	-	31	37
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	2	3	3	1	-	9	-	35	44
United Nations Volunteers											
1998-1999											
Regular resources	-	1	2	10	5	5	1	27	60	111	198
Other resources relating to programme	-	-	-	-	1	6	2	9	-	8	17
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	2	10	9	11	3	36	60	119	215
2000-2001											
Regular resources	-	1	2	8	9	6	1	27	60	107	194
Other resources relating to programme	-	-	-	-	3	5	-	8	-	11	19
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	2	8	12	11	1	35	60	118	213
Total C. Support to operational activities of the United Nations											
1998-1999											
Regular resources	-	2	4	12	9	6	1	34	60	122	216
Other resources relating to programme	-	1	-	-	2	10	2	15	-	39	54
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total - C	-	3	4	12	11	16	3	49	60	161	270
2000-2001											
Regular resources	-	2	4	10	10	7	1	34	60	117	211
Other resources relating to programme	-	-	1	2	5	7	-	15	-	42	57
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total - C	-	2	5	12	15	14	1	49	60	159	268
Grand Total											
1998-1999											
Regular resources	9	53	138	200	161	48	7	616	603	2835	4054
Other resources relating to programme	-	2	7	17	17	25	4	72	113	793	978
Other resources relating to reimbursement	-	-	-	13	24	18	12	67	3	82	152
TOTAL	9	55	145	230	202	91	23	755	719	3710	5184
2000-2001											
Regular resources	9	53	138	199	152	45	7	603	606	2819	4028
Other resources relating to programme	-	1	8	23	25	20	1	78	172	932	1182
Other resources relating to reimbursement	-	-	-	10	23	21	6	60	-	88	148
TOTAL	9	54	146	232	200	86	14	741	778	3839	5358

Summary table IV (a). Other resource estimates by source of funds and organizational unit, 2000-2001

(thousands of United States dollars)

APPROPRIATION LINE/ ORGANIZATIONAL UNIT	1998-1999 ESTIMATES	INCREASE/ DECREASE	2000-2001 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Africa	3 984.6	2 418.9	6 403.5
Arab States	10 169.2 a/	3 381.6	13 550.8
Asia and the Pacific	4 676.7	1 866.5	6 543.2
Latin America and the Caribbean	32 689.1	7 889.2	40 578.3
Europe and the Commonwealth of Independent States	1 257.3	1 840.9	3 098.2
Country offices - Central	4 531.7 a/	2 034.3	6 566.0
Subtotal programme support / country offices	57 308.6	19 431.4	76 740.0
2. Headquarters			
Emergency Response Division	139.7 b/	1 438.5	1 578.2
Regional Bureau for Africa	981.5	737.9	1 719.4
Regional Bureau for Arab States	953.4 c/	771.4	1 724.8
Regional Bureau for Asia and the Pacific	631.3 c/	696.2	1 327.5
Regional Bureau for Latin America and the Caribbean	4 205.5	1 294.3	5 499.8
Regional Bureau for Europe and the Commonwealth of Independent States	621.8	442.4	1 064.2
Bureau for Development Policy	21 803.8	1 900.1	23 703.9
Subtotal programme support / headquarters	29 337.0	7 280.7	36 617.7
Subtotal programme support	86 645.6	26 712.1	113 357.7
B. MANAGEMENT AND ADMINISTRATION			
Office of Audit and Performance Review - Headquarters	509.8	(160.8)	349.0
Office of Audit and Performance Review - Country Offices	304.8 d/	(199.9)	104.9
Bureau for Resource Mobilization and External Affairs	2 741.6	1 130.7	3 872.3
Bureau for Planning and Resource Management	1 171.6 e/	141.9	1 313.5
Bureau for Financial and Administrative Services	1 990.9 e/	958.1	2 949.0
Subtotal management and administration	6 718.7	1 869.8	8 588.5
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
United Nations Development Group Office	0.0	283.9	283.9
Inter-Agency Procurement Services Office	5 790.6	245.2	6 035.8
United Nations Volunteers	4 000.0	655.7	4 655.7
Subtotal support to operational activities of the United Nations	9 790.6	1 184.8	10 975.4
Subtotal I - Other resources relating to programmes	103 154.9	29 706.7	132 921.6
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Bureau for Development Policy	414.5	0.0	414.5
Operations Support Group	30.2 f/	0.0	30.2
Emergency Response Division	86.2 f/	0.0	86.2
Office of Administrator/Associate Administrator	855.4	0.0	855.4
Office of Audit and Performance Review	2 560.2	0.0	2 560.2
Bureau for Resource Mobilization and External Affairs	1 131.3	0.0	1 131.3
Bureau for Planning and Resource Management	6 082.8	1 186.5	7 269.3
Bureau for Financial and Administrative Services	8 184.8	0.0	8 184.8
Regional Bureau for Latin America and the Caribbean	0.0	0.0	0.0
Headquarters - Central	4 654.6	524.3	5 178.9
Subtotal II - Other resources relating to reimbursements	24 000.0	1 710.8	25 710.8
Grand total	127 154.9	31 477.5	158 632.4

a/ Movement of funds relating to Palestine programme from RBAS to centrally managed
b/ Movement of funds from Management and administration/Central to Programme support headquarters/Emergency Response Division
c/ Correction of error in old document - reversal of estimates for RBAP and RBAS
d/ Recategorization of funds previously shown under Management and administration/Central
e/ Movement of project funds control from BFAS to BPRM
f/ Movement of ERD out of OSG

Summary table IV (b). Other resource estimates by source of funds and expenditure category, 2000–2001

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	1998-1999 ESTIMATES	INCREASE/ DECREASE	2000 - 2001 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Posts	38 440.0	11 658.9	50 098.9
Other staff cost	2 654.3	500.5	3 154.8
Consultants	336.9	35.2	372.1
Travel	1 345.1	64.4	1 409.5
Operating expenses	10 929.5	6 934.0	17 863.5
Furniture and equipment	2 571.6	294.1	2 865.7
Reimbursements/contributions	0.0	0.0	0.0
Development support services	1 031.2	(55.7)	975.5
Subtotal programme support / country offices	57 308.6	19 431.4	76 740.0
2. Headquarters			
Posts	14 772.9	4 505.5	19 278.4
Other staff costs	687.8	100.1	787.9
Consultants	5 648.3	1 049.0	6 697.3
Travel	2 519.8	240.0	2 759.8
Operating expenses	2 671.2	1 231.8	3 903.0
Furniture and equipment	322.7	28.0	350.7
Reimbursements/contributions	2 714.3	126.3	2 840.6
Subtotal programme support / headquarters	29 337.0	7 280.7	36 617.7
B. MANAGEMENT AND ADMINISTRATION			
Posts	3 371.4	926.1	4 297.5
Other staff cost	603.3	626.4	1 229.7
Consultants	1 237.7	95.8	1 333.5
Travel	475.9	25.3	501.2
Operating expenses	1 016.1	194.0	1 210.1
Furniture and equipment	14.3	2.3	16.6
Reimbursements/contributions	0.0	0.0	0.0
Subtotal management and administration	6 718.7	1 869.8	8 588.5
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
Posts	7 166.8	1 172.7	8 339.5
Other staff cost	305.6	1.7	307.3
Consultants	784.0	(1.2)	782.8
Travel	391.3	(8.6)	382.7
Operating expenses	963.8	14.5	978.3
Furniture and equipment	159.7	5.2	164.9
Reimbursements/contributions	19.4	0.5	19.9
Subtotal support to operational activities of the United Nations	9 790.6	1 184.8	10 975.4
Subtotal I - Other resources relating to programmes	103 154.9	29 766.7	132 921.6
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Posts	19 399.1	1 186.5	20 585.6
Other staff cost	239.5	0.0	239.5
Consultants	332.9	0.0	332.9
Travel	343.1	0.0	343.1
Operating expenses	3 567.8	524.3	4 092.1
Furniture and equipment	117.1	0.0	117.1
Reimbursements/contributions	0.5	0.0	0.5
Subtotal II - Other resources relating to reimbursements	24 000.0	1 710.8	25 710.8
Grand total	127 154.9	31 477.5	158 632.4

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Summary table V (a). UNCDF Proposed gross budget estimates by expenditure category within budget component, 2000-2001

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	1998-1999 APPROVED APPROPRIATION	VOLUME AMOUNT	%	COST	2000 - 2001 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	5 770.4	(303.6)	(0.1)	390.1	5 856.9
Other staff cost	84.2	14.8	0.2	4.7	103.7
Consultants	394.5	(110.0)	(0.3)	13.2	297.7
Travel	267.2	(9.2)	(0.0)	12.1	270.1
Operating expenses	878.9	(170.2)	(0.2)	33.4	742.1
Furniture and equipment	50.8	(20.6)	(0.4)	1.5	31.7
Reimbursements/contributions	370.7	0.0	0.0	17.2	387.9
Subtotal	7 816.7	(598.8)	(0.1)	472.2	7 690.1
B. MANAGEMENT AND ADMINISTRATION					
Posts	2 410.5	622.3	0.3	266.7	3 299.5
Other staff cost	45.3	13.6	0.3	2.8	61.7
Consultants	73.7	31.2	0.4	5.0	109.9
Travel	157.1	(69.0)	(0.4)	4.0	92.1
Operating expenses	464.6	(111.4)	(0.2)	16.5	369.8
Furniture and equipment	27.3	(13.0)	(0.5)	0.7	15.0
Reimbursements/contributions	1 868.9	0.0	0.0	86.9	1 955.8
Subtotal	5 047.4	473.7	0.1	382.8	5 903.8
Total					
Posts	8 180.9	318.7	0.0	656.8	9 156.4
Other staff cost	129.5	28.4	0.2	7.5	165.4
Consultants	468.2	(78.8)	(0.2)	18.2	407.6
Travel	424.3	(78.2)	(0.2)	16.1	362.2
Operating expenses	1 343.5	(281.6)	(0.2)	50.1	1 112.0
Furniture and equipment	78.1	(33.6)	(0.4)	2.2	46.7
Reimbursements/contributions	2 239.6	0.0	0.0	104.2	2 343.8
Total	12 864.1	(125.1)	(0.0)	855.0	13 594.0

Summary table V (b). UNCDF Estimated distribution of posts by source of funds, 2000-2001

		International Professional category and above									Grand total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	NP	GS	
A.	Programme support											
	1998 - 1999 Regular resources	-	-	5	1	9	-	-	15	-	8	23
	2000 - 2001 Regular resources	-	-	6	4	2	1	1	14	-	8	22
B.	Management and administration											
	1998 - 1999 Regular resources	-	1	1	-	2	2	1	7	-	6	13
	2000 - 2001 Regular resources	-	1	1	2	3	1	1	9	-	5	14
	1998 - 1999 Other resources	-	-	-	-	-	-	-	-	-	-	-
	2000 - 2001 Other resources	-	-	-	-	-	-	-	-	-	-	-
C.	Grand total											
	1998 - 1999 Regular resources	-	1	6	1	11	2	1	22	-	14	36
	1998 - 1999 Other resources	-	-	-	-	-	-	-	-	-	-	-
	Total	-	1	6	1	11	2	1	22	-	14	36
	2000 - 2001 Regular resources	-	1	7	6	5	2	2	23	-	13	36
	2000 - 2001 Other resources	-	-	-	-	-	-	-	-	-	-	-
	Total	-	1	7	6	5	2	2	23	-	13	36

Summary table VI (a). UNRFNRE Proposed gross budget estimates by expenditure category within budget component, 2000-2001

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	1998-1999 APPROVED APPROPRIATION	VOLUME AMOUNT	VOLUME %	COST	2000 - 2001 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	364.7	101.0	0.3	10.5	476.2
Other staff cost	1.5	0.0	0.0	0.1	1.6
Consultants	13.7	0.0	0.0	0.6	14.3
Travel	22.9	(6.0)	(0.3)	0.8	17.7
Operating expenses	70.6	(3.1)	(0.0)	3.2	70.7
Furniture and equipment	13.8	(8.8)	(0.6)	0.2	5.2
Reimbur ements/contributions	0.0	0.0	-	0.0	0.0
Subtotal	487.2	83.1	0.2	15.5	585.8
B. MANAGEMENT AND ADMINISTRATION					
Posts	532.6	(499.6)	(0.9)	(32.8)	0.2
Other staff cost	3.4	(3.4)	(1.0)	(0.0)	0.0
Consultants	15.5	(15.5)	(1.0)	(0.0)	0.0
Travel	15.4	(15.4)	(1.0)	(0.0)	0.0
Operating expenses	42.4	(42.4)	(1.0)	(0.0)	0.0
Furniture and equipment	4.9	(4.9)	(1.0)	0.0	0.0
Reimbursements/contributions	431.4	(283.8)	(0.7)	6.5	154.1
Subtotal	1 045.6	(864.9)	(0.8)	(26.4)	154.3
Total					
Posts	897.3	(398.6)	(0.4)	(22.3)	476.4
Other staff cost	4.9	(3.4)	(0.7)	0.1	1.6
Consultants	29.2	(15.5)	(0.5)	0.6	14.3
Travel	38.3	(21.4)	(0.6)	0.8	17.7
Operating expenses	113.0	(45.5)	(0.4)	3.2	70.7
Furniture and equipment	18.7	(13.7)	(0.7)	0.2	5.2
Reimbursements/contributions	431.4	(283.8)	(0.7)	6.5	154.1
Total	1 532.8	(781.8)	(0.5)	(10.9)	740.1

Summary table VI (b). UNRFNRE Estimated distribution of posts by source of funds, 2000-2001

		International Professional category and above									Grand total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	NP	GS	
A. Programme support												
1998 - 1999 Regular resources		-	-	-	1	-	-	-	1	-	-	1
2000 - 2001 Regular resources		-	-	-	1	-	-	-	1	-	1	2
B. Management and administration												
1998 - 1999 Regular resources		-	-	1	-	-	-	-	1	-	1	2
2000 - 2001 Regular resources		-	-	-	-	-	-	-	-	-	-	-
1998 - 1999 Other resources		-	-	-	1	-	-	-	1	-	1	2
2000 - 2001 Other resources		-	-	-	1	-	-	-	1	-	1	2
C. Grand total												
1998 - 1999 Regular resources		-	-	1	1	-	-	-	2	-	1	3
1998 - 1999 Other resources		-	-	-	1	-	-	-	1	-	1	2
	Total	-	-	1	2	-	-	-	3	-	2	5
2000 - 2001 Regular resources		-	-	-	1	-	-	-	1	-	1	2
2000 - 2001 Other resources		-	-	-	1	-	-	-	1	-	1	2
	Total	-	-	-	2	-	-	-	2	-	2	4

Summary table VII (a). UNIFEM Proposed gross budget estimates by expenditure category within budget component, 2000-2001

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	1998-1999 APPROVED APPROPRIATION	VOLUME AMOUNT	VOLUME %	COST	2000 - 2001 ESTIMATES
I OTHER RESOURCES RELATING TO PROGRAMMES					
A PROGRAMME SUPPORT					
Posts	5 054.0	0.0	0.0	(46.2)	5 007.8
Other staff cost	76.9	9.0	0.1	4.1	90.0
Consultants	47.2	46.0	1.0	4.5	97.6
Travel	115.7	(17.2)	(0.1)	4.6	103.1
Operating expenses	670.0	64.6	0.1	35.0	769.6
Furniture and equipment	73.8	0.0	0.0	3.6	77.4
Reimbursements/contributions	0.0	0.0	-	0.0	0.0
Subtotal	6 037.6	102.4	0.0	5.5	6 145.5
B MANAGEMENT AND ADMINISTRATION					
Posts	2 071.4	0.0	0.0	424.0	2 495.4
Other staff cost	60.4	25.4	0.4	4.1	89.9
Consultants	37.1	8.0	0.2	2.1	47.2
Travel	154.1	0.0	0.0	7.2	161.3
Operating expenses	525.2	(11.8)	(0.0)	24.4	537.8
Furniture and equipment	58.1	0.0	0.0	2.8	60.9
Reimbursements/contributions	1 751.3	230.0	0.1	92.7	2 074.0
Subtotal	4 657.6	251.6	0.1	557.4	5 466.6
Total					
Posts	7 125.4	0.0	0.0	377.8	7 503.2
Other staff cost	137.3	34.4	0.3	8.1	179.8
Consultants	84.3	54.0	0.6	6.6	144.9
Travel	269.8	(17.2)	(0.1)	11.9	264.5
Operating expenses	1 195.2	52.8	0.0	59.4	1 307.4
Furniture and equipment	131.9	0.0	0.0	6.4	138.3
Reimbursements/contributions	1 751.3	230.0	0.1	92.7	2 074.0
Total	10 695.2	354.0	0.0	562.9	11 612.1

Summary table VII (b). UNIFEM Estimated distribution of posts by source of funds, 2000-2001

		International Professional category and above									
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	NP	GS	Grand total
A	Programme support											
	1998 - 1999 Regular resources	-	-	-	7	6	1	-	14	-	7	21
	2000 - 2001 Regular resources	-	-	-	7	6	1	-	14	-	7	21
B	Management and administration											
	1998 - 1999 Regular resources	-	1	1	-	3	1	-	6	-	6	12
	2000 - 2001 Regular resources	-	1	1	-	3	1	-	6	-	6	12
	1998 - 1999 Other resources	-	-	-	-	1	2	-	3	-	-	3
	2000 - 2001 Other resources	-	-	-	-	1	3	-	4	-	-	4
C	Grand total											
	1998 - 1999 Regular resources	-	1	1	7	9	2	-	20	-	13	33
	1998 - 1999 Other resources	-	-	-	-	1	2	-	3	-	-	3
	Total	-	1	1	7	10	4	-	23	-	13	36
	2000 - 2001 Regular resources	-	1	1	7	9	2	-	20	-	13	33
	2000 - 2001 Other resources	-	-	-	-	1	3	-	4	-	-	4
	Total	-	1	1	7	10	5	-	24	-	13	37

Summary table VIII (a). UNSO Proposed gross budget estimates by expenditure category within budget component, 2000-2001

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	1998-1999 APPROVED APPROPRIATION	VOLUME AMOUNT	%	COST	2000 - 2001 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	2 045.6	296.1	0.1	234.9	2 576.5
Other staff cost	13.1	1.3	0.1	0.7	15.1
Consultants	10.5	(5.7)	(0.5)	0.2	5.0
Travel	18.6	(22.5)	(1.2)	(0.2)	(4.1)
Operating expenses	409.8	(168.4)	(0.4)	1.1	242.4
Furniture and equipment	9.4	6.8	0.7	0.8	17.0
Reimbursements/contributions	0.0	2.7	-	0.1	2.8
Subtotal	2 507.0	110.2	0.0	237.5	2 854.7
B. MANAGEMENT AND ADMINISTRATION					
Posts	1 538.6	(310.8)	(0.2)	(85.9)	1 141.9
Other staff cost	18.4	(4.1)	(0.2)	0.7	15.0
Consultants	11.8	(7.0)	(0.6)	0.2	5.0
Travel	23.6	(6.4)	(0.3)	0.8	18.0
Operating expenses	370.3	(157.0)	(0.4)	10.2	223.5
Furniture and equipment	12.0	4.2	0.3	0.8	17.0
Reimbursements/contributions	1 370.7	(766.9)	(0.6)	26.5	630.3
Subtotal	3 345.4	(1 248.0)	(0.4)	(46.7)	2 050.7
Total	3 584.2	(14.7)	(0.0)	149.0	3 718.5
Posts	31.5	(2.8)	(0.1)	1.3	30.0
Other staff cost	22.3	(12.8)	(0.6)	0.4	10.0
Consultants	42.2	(28.9)	(0.7)	0.6	13.9
Travel	780.1	(325.4)	(0.4)	11.3	465.9
Operating expenses	21.4	11.0	0.5	1.6	34.0
Furniture and equipment	1 370.7	(764.2)	(0.6)	26.7	633.2
Reimbursements/contributions	5 852.4	(1 137.8)	(0.2)	190.8	4 905.4
Total					

Summary table VIII (b). UNSO Estimated distribution of posts by source of funds, 2000-2001

		International Professional category and above									Grand total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	NP	GS	
A	Programme support											
	1998 - 1999 Regular resources	-	-	-	3	1	-	-	4	-	6	10
	2000 - 2001 Regular resources	-	-	-	3	2	-	-	5	-	6	11
B	Management and administration											
	1998 - 1999 Regular resources	-	1	1	-	1	-	-	3	-	2	5
	2000 - 2001 Regular resources	-	1	1	-	-	-	-	2	-	2	4
	1998 - 1999 Other resources	-	-	-	2	1	-	-	3	-	1	4
	2000 - 2001 Other resources	-	-	-	2	1	-	-	3	-	-	3
C	Grand total											
	1998 - 1999 Regular resources	-	1	1	3	2	-	-	7	-	8	15
	1998 - 1999 Other resources	-	-	-	2	1	-	-	3	-	1	4
	Total	-	1	1	5	3	-	-	10	-	9	19
	2000 - 2001 Regular resources	-	1	1	3	2	-	-	7	-	8	15
	2000 - 2001 Other resources	-	-	-	2	1	-	-	3	-	-	3
	Total	-	1	1	5	3	-	-	10	-	8	18

ANNEXES

Annex I

1998-1999 BUDGET ESTIMATES AS PRESENTED IN DOCUMENT DP/1997/23 AND APPROVED APPROPRIATIONS (DECISION 97/24)

Table 1. 1998-1999 budget estimates to approved appropriations: By appropriation line and organizational unit

(thousands of United States dollars)

APPROPRIATION LINE/ ORGANIZATIONAL UNIT	1998-1999 ESTIMATES	US$ 8.8 MILLION ADJUSTMENT AMOUNT	APPROVED BUDGET	REDISTRIBUTION/ RESTRUCTURING	APPROVED BASE
1 Country offices					
Africa	96 408.2	(120.7)	96 287.5	983.1 a/	97 270.6
Arab States	33 387.9	(850.0)	32 537.9	191.6 a/ b/	32 729.6
Asia and the Pacific	54 189.9	(1 675.6)	52 514.3	1 209.9 a/	53 724.2
Latin America and the Caribbean	42 525.4	(312.3)	42 213.1	605.0 a/	42 818.0
Europe and the Commonwealth of Independent States	25 287.9	(36.1)	25 251.8	605.0 a/	25 856.8
Subregional resource facilities	5 821.2	0.0	5 821.2	(5 821.2) a/	0.0
Country offices - Central	16 243.7	(283.3)	15 960.4	3 216.2 a/ b/ c/ g/	19 176.7
Subtotal Programme Support / Country Offices	273 864.2	(3 278.0)	270 586.2	989.6	271 575.8
2 Headquarters					
Operations Support Group	5 803.4	(302.2)	5 501.2	(1 162.5) e/	4 338.7
Emergency Response Division				1 278.4 e/ f/	1 278.4
Regional Bureau for Africa	12 433.0	(58.3)	12 374.7		12 374.7
Regional Bureau for Arab States	4 894.1	(30.0)	4 864.1		4 864.1
Regional Bureau for Asia and the Pacific	7 400.7	(50.5)	7 350.2		7 350.2
Regional Bureau for Latin America and the Caribbean	4 804.6	(35.0)	4 769.6		4 769.6
Regional Bureau for Europe and the Commonwealth of Independent States	4 246.4	0.0	4 246.4		4 246.4
Bureau for Development Policy	15 818.0	(337.1)	15 480.9		15 480.9
Special Unit for TCDC	3 500.4	(127.6)	3 372.8		3 372.8
Headquarters - Central	5 909.6	0.0	5 909.6		5 909.6
Subtotal Programme Support Headquarters	64 810.2	(940.7)	63 869.5	115.9	63 985.4
Total Programme Support	338 674.4	(4 218.7)	334 455.7	1 105.5	335 561.2
B MANAGEMENT AND ADMINISTRATION					
Office of Administrator/Associate Administrator	5 431.1	0.0	5 431.1		5 431.1
Evaluation Office	2 937.6	0.0	2 937.6		2 937.6
Office of Audit and Performance Review - Headquarters	4 528.8	0.0	4 528.8		4 528.8
Office of Audit and Performance Review - Country offices	8 476.1	(1 000.0)	7 476.1		7 476.1
Bureau for Resource Mobilization and External Affairs	26 412.4	(250.0)	26 162.4		26 162.4
Bureau for Planning and Resource Management	18 669.3	(228.7)	18 440.6	2 675.8 g/	21 116.4
Bureau for Financial and Administrative Services	24 953.1	(876.7)	24 076.4	(2 791.7) f/ g/	21 284.7
Headquarters - Central	27 582.3	(500.0)	27 082.3		27 082.3
Country offices - Central	8 028.8	0.0	8 028.8	(3 508.6) c/ g/	4 520.2
Total B	127 019.5	(2 855.4)	124 164.1	(3 624.5)	120 539.6
C SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS					
Country offices	96 299.0	(1 212.4)	95 086.6	2 519.0 a/ b/ c/ g/	97 605.7
United Nations Development Group Office	2 614.0	0.0	2 614.0		2 614.0
Inter-Agency Procurement Services Office	3 896.6	0.0	3 896.6		3 896.6
United Nations Volunteers	30 880.3	(503.9)	30 376.4		30 376.4
Total C	133 689.9	(1 716.3)	131 973.6	2 519.0	134 492.7
GROSS RESOURCES	599 383.8	(8 790.4)	590 593.4	0.0	590 593.5
ESTIMATED INCOME	(72 127.0)	0.0	(72 127.0)		(72 127.0)
NET RESOURCES	527 256.8	(8 790.4)	518 466.4		518 466.5

a/ Redistribution of SURFs to regional bureaux and centrally managed
b/ Movement of funds relating to Palestine programme from RBAS to centrally managed
c/ Movement of security officers functions from management and administration/country offices to programme support/country offices
d/ Redeployment of P-4 post to PAPP
e/ Movement of ERD out of OSG
f/ Movement of UNSECOORD from BFAS to ERD/headquarters
g/ Movement of Project Funds Control from BFAS to BPRM

Table 2. 1998-1999 budget estimates to approved appropriations: By posts

Organizational unit	1998-1999	$8.8 million adjustment IP	NP	GS	Total	1998-1999	Restructuring IP	NP	GS	Total		1998-1999
1998-1999 APPROVED POSTS	4064				-	4054				-		4054
A Programme support												
1 Country offices												
Africa	1339	-	-	-	-	1339	2	1	1	4	a/	1343
Arab States	330	-	-	-	-	330	2	1	1	4	a/	334
Asia and the Pacific	800	-	-	-	-	800	4	1	1	6	a/	806
Latin America and the Caribbean	404	-	-	-	-	404	2	1	1	4	a/	408
Europe and the Commonwealth of Independent States	378	-	-	-	-	378	2	1	1	4	a/	382
Subregional resource facilities	24	-	-	-	-	24	(14)	(5)	(5)	(24)	a/	0
Country offices - Central	71	-	-	-	-	71	5			5	a/ b/ c/	76
Total (net)	3346	-	-	-	-	3346	3	-	-	3		3349
2 Headquarters												
Operations Support Group	22	(1)	-	-	(1)	21	(3)	-	(3)	(6)	d/	15
Emergency Response Division		-	-	-	-	-	3	-	3	6	d/	6
Regional Bureau for Africa	41	-	-	-	-	41	-	-	-	-		41
Regional Bureau for Arab States	15	-	-	-	-	15	-	-	-	-		15
Regional Bureau for Asia and the Pacific	25	-	-	-	-	25	-	-	-	-		25
Regional Bureau for Latin America and the Caribbean	16	-	-	-	-	16	-	-	-	-		16
Regional Bureau for Europe and the Commonwealth of Independent States	16	-	-	-	-	16	-	-	-	-		16
Bureau for Development Policy	41	(1)	-	-	(1)	40	-	-	-	-		40
Special Unit for TCDC	16	-	-	(1)	(1)	15	-	-	-	-		15
Total (net)	192	(2)	-	(1)	(3)	189	-	-	-	-		189
Total progamme support	3538	(2)	0	(1)	(3)	3535	3	0	0	3		3538
B Management and Administration												
Office of the Administrator/Associate Administrator	13	-	-	-	-	13	-	-	-	-		13
Evaluation Office	9	-	-	-	-	9	-	-	-	-		9
Office of Audit and Performance Review - Headquarters	14	-	-	-	-	14	-	-	-	-		14
Office of Audit and Performance Review - Country Offices	16	-	-	-	-	16	-	-	-	-		16
Bureau for Resource Mobilization and External Affairs	63	-	-	-	-	63	-	-	-	-		63
Bureau for Planning and Resource Management	76	-	-	(2)	(2)	74	4	-	11	15	e/	89
Bureau for Financial and Administrative Services	113	(2)	-	(3)	(5)	108	(4)	-	(11)	(15)	e/	93
Headquarters - Central		-	-	-	-	-	-	-	-	-		0
Country offices - Central	6	-	-	-	-	6	(3)	-	-	(3)	b/ c/	3
Total (net)	310	(2)	0	(5)	(7)	303	(3)	0	0	(3)		300
C Support to operational activities of the United Nations												
Country offices	see note					see note						see note
United Nations Development Group Office	11	-	-	-	-	11	-	-	-	-		11
Inter-Agency Procurement Services Office	7	-	-	-	-	7	-	-	-	-		7
United Nations Volunteers	198	-	-	-	-	198	-	-	-	-		198
Total (net)	216	0	0	0	0	216	0	0	0	0		216
Total changes (net)		(4)	-	(6)	(10)		-	-	-	-	-	
1998-1999 ADJUSTED POSTS	**4064**	**(4)**	**0**	**(6)**	**(10)**	**4054**	**0**	**0**	**0**	**0**		**4054**

a/ Redistribution of SURFs to regional bureaux and centrally managed
b/ Movement of security officers functions from management and administration/country offices to programme support/country offices
c/ Redeployment of P-4 post to PAPP
d/ Movement of ERD out of OSG
e/ Movement of Project Funds Control from BFAS to BPRM

Note: All staff resources assigned to country offices are shown under Programme support/country offices alone and are not split between Programme support - country offices and Support to the operational activities of the United Nations - country offices

Annex II

INFORMATION TECHNOLOGY AND SYSTEMS – DEVELOPMENT OF SYSTEMS

2000 – 2001

System title and description	Development needs	Cost distribution	Time frame (months)	Resource estimates ($ thousands)
IMIS – Human resources releases IMIS Release 1 (Basic HR) was introduced in 1996 and IMIS Release 2 (Entitlements) in August 1998. According to the United Nations Secretariat, IMIS Release 4 (Payroll) is to be implemented in the fourth quarter of 1999. Productivity gains and savings have yet to occur. The quality of the human resources data, as well as the current fit between the business processes and IMIS are such that additional investment is essential to reap the full benefits of the IMIS project.	1. Payroll 2. Education grant 3. Process re-engineering 4. Implementation support and contribution to the United Nations for common maintenance 5. Quality control 6. ALD 7. Software enhancement	Short-term staff – 55% Training – 25% Contracts – 10% Hardware/software – 10%	24	Regular resources: 1 662.1 Other resources: 900.0 Total: 2 562.1
IMIS – Finance Initially, UNDP IMIS requirements were categorized as "mandatory", "highly desirable" and "desirable". IMIS functionality was grouped under five categories, ranging from "show stopper" to "nice to have". IMIS enhancements for "mandatory" requirements with "show stopper" functionality were authorized. The remaining "mandatory" enhancements would be revisited upon IMIS implementation. Currently, 15 such enhancement requirements exist.	1. Training 2. Additional Interfaces and batch processes 3. Enhancements and functional analysis 4. Technical problem reports and testing 5. Contribution to the United Nations for common maintenance	Short-term staff – 65% Training – 15% Contracts – 10% Hardware/software – 10%	24	Regular resources: 1 152.1 Other resources: 619.0 Total: 1 771.1
Country office substantive/operational systems <u>Financial Management Information System (FIMS) / Programme Financial Management System (PFMS) enhancements</u> By mid-1999, 60 country offices moved to the FIMS production mode, whereby they electronically update the corporate database in New York (PFMS) monthly. Remaining country offices are to upgrade by end 1999. FIMS facilitates management of country office programme finances while ensuring that corporate procedures are adhered to. PFMS transactional database acts as the counterpart to FIMS as well as being the repository of the expenditure data reported by the executing agencies. It needs to be updated in step with the improvements to FIMS and reflect the latest programme manual provisions. FIMS/PFMS will improve overall productivity by decreasing the routine work and providing quality data to all management levels for better decision support.	1. Software platform 2. Programme cost-sharing module 3. Funds and trust funds management module 4. DCAS integration 5. Data exchange with country offices 6. Enhanced modular design 7. Integrated communication	Short-term staff – 44% Training – 7% Contracts – 32% Hardware/software – 17%	18	Regular resources: 641.0 Other resources: 309.0 Total: 950.0

System title and description	Development needs	Cost distribution	Time frame (months)	Resource estimates ($ thousands)
National execution facilitation modules				
Even though NEX has been the preferred modality of execution for the past decade and currently more than 60 per cent of the project amounts are under NEX, difficulties persist. Management of NEX would improve if UNDP were to provide its NEX agents and the country offices with automated tools for management. Aside from improving productivity and accountability of the parties involved, it would help to establish good execution capacity in the host country.	1. NEX human resources management module 2. NEX contracts management module 3. NEX procurement module 4. NEX project management module	Short-term staff – 50% Training – 40% Hardware/software – 10%	24	Regular resources: 872.0 Other resources: 128.0 Total: 1 000.0
Programme substantive management modules				
These modules of the Country Office Suite 2001 are intended to facilitate the management of the substantive side of programme operations and to streamline the reporting for the same. Some of the groundwork has been ongoing since late 1998 with the collaboration of three units (ISD, DIMA and DOPP). Among other benefits, this will enable monthly extraction of textual material pertaining to substantive areas of programme management and their dispatch to headquarters with the digital country office systems extract. That will enable reports to be posted on the corporate intranet for sharing with other country offices to foster learning, use for research, and for substantive input to the aggregate reports prepared at headquarters.	1. High-level programme operations 2. Project formulation 3. Project monitoring 4. Project evaluation 5. Project reporting 6. Headquarters component	Short-term staff – 50% Training – 40% Hardware/software – 10%	24	Regular resources: 1 307.0 Other resources: 193.0 Total: 1 500.0
Results-based management (RBM) facilitation system				
As required by its Executive Board, UNDP has started implementing RBM and will report on its experiences at the current session. It is expected that UNDP will have to integrate RBM into its programme and non-programme areas of work systematically. That will require an in-depth analysis of the current management practices and procedures before setting in place a system that produces the expected benefits while avoiding duplication with its attending loss of productivity and increased costs. Putting in place such a system that generates benefits as a course of normal work by the staff will require a major effort during the 2000-2001period.	1. Conceptual development of UNDP RBM business model 2. Production of UNDP RBM system 3. Training, support and maintenance	Short-term staff – 50% Training – 35% Hardware/software – 15%	24	Regular resources: 1 307.0 Other resources: 193.0 Total: 1 500.0
Country office accounting system				
UNDP has had an automated system for its country offices which was made Y2K-compliant at the beginning of 1999. It is essentially a cashbook rather than being a full-fledged accounting package. However, large country offices would be better served by a commercially available full accounting package, which would also result in savings at headquarters. In that regard, the experiences of UNV with its chosen commercial system are being followed closely.	1. Enhancements 2. Full accounting package for large country offices	Short-term staff – 35% Training – 20% Contracts – 10% Hardware – 35%	24	Regular resources: 766.0 Other resources: 234.0 Total: 1 000.0

Annex II (continued)

System title and description	Development needs	Cost distribution	Time frame (months)	Resource estimates ($ thousands)
General support systems Reporting and analysis infrastructure A business intelligence tool (Brio) has been selected to implement the UNDP vision of providing all management units with decision support through a user-friendly tool. Analysis and reporting systems have been created as pilot applications in finance, programme, and human resources areas. These systems, in conjunction with web technology, will make a wealth of information available to managers for decision support. This higher-level function of the information systems is what generates much of the return on investment and will move UNDP towards becoming a learning organization. It is expected that the successful implementation of this project will lead to major savings in the biennium 2002-2003.	1. Establishment of a data warehouse for corporate analysis and reporting 2. Analysis and reporting systems for headquarters and country offices	Short-term staff – 40% Training – 20% Hardware/software – 40%	24	Regular resources: 1 743.0 Other resources: 257.0 Total: 2 000.0
Internet/intranet During the current biennium, UNDP internet and intranet sites were established at headquarters. The intranet is the primary medium to build UNDP as a learning organization. Internet and intranet sites in the country offices are becoming the main vehicles for sharing information with development partners as well as internally. The Country Office Suite 2001 is being built to feed automatically the country office websites with timely content of good quality. Much headway was made during 1998-1999 and many of the infrastructural needs of country offices and headquarters were met. Expanding the functionality of the corporate internet and intranet will maximize their leverage.	1. Management of internet, intranet and extranet sites 2. Utilizing internet, intranet and extranet for analysis and reporting systems	Short-term staff – 35% Training – 20% Contracts – 10% Hardware/software – 35%	24	Regular resources: 436.0 Other resources: 64.0 Total: 500.0
United Nations volunteer management systems Further enhancements of the SUN full accounting system were developed during 1999 to allow branch accounting as envisaged for larger country offices. The project to make the volunteer management system Y2K compliant will start in 1999. Implementation and integration with the finance system and FIMS is provided for in 2000-2001. These systems are essential for UNV to streamline its processes and become more cost effective.	1. Training 2. Additional interfaces and batch processes 3. Enhancements 4. Report and testing	Contracts – 100%	24	Regular resources: 1 211.0 Other resources: 0 Total: 1 211.0
Summary and total		Short-term staff – 49% Training – 25% Contracts – 7% Hardware/software – 19%	Total regular resources: 11 097.2 Total other resources: 2 897.0 Grand total: 13 994.2	

Annex III

TERMINOLOGY

Terms upon which common agreement has been reached and their corresponding definitions are given below.

Appropriation line - Definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering Programme support and Management and administration of the organization.

Cost (increase/decrease) - ACC definition

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Gross budget

For voluntary funded organizations, the budget in which staff costs are estimated on a net basis (i.e. exclusive of staff assessment) and all other costs are estimated on a gross basis, e.g. inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Management and administration of organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relati information and administration.

Net budget

For voluntary funded organizations, the budget which reflects estimates of income to be expected which offset, in whole or in part, the related gross budget estimates.

Other resources

Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose (Other resources relating to programmes)

and for the provision of specific services to third parties (Other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not relating to carrying out Programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support

Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Various cost adjustments

Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex IV

METHODOLOGY

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed Biennial support budget is the first months of the second year of the current biennium. A description of each sequential step follows.

I. VOLUME ADJUSTMENTS

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

II. VARIOUS COST ADJUSTMENTS

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last Biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowance, education grant), and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

III. CURRENCY ADJUSTMENTS

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed Biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

IV. INFLATION ADJUSTMENT

5. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency; as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;
(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and
(iii) The inflation projection for the first year of the proposed biennium.

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) - (iii) as in (a) above; and
(iv) the inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The first inflation factor pertains to the estimated movement of post adjustment for international Professional staff;

(b) The second inflation factor pertains to international travel and common staff costs for international Professional staff (this is the same for all locations);

(c) The third factor encompasses salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location; and

(d) The fourth factor relates to all other costs, such as operating expenses.

7. Within this general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.